TRIMAC GROUP OF COMPANIES

50 Years
Trimac

1995 Annual Report

50 Years

Financial Highlights

(thousands of dollars except per share and percentage amounts)	December 31 1995	1994	1993
Operating Results			
Revenues	**$722,267**	$687,163	$618,803
Earnings before discontinued businesses and extraordinary item	**32,745**	43,404	27,720
– per share	**0.81**	1.07	0.70
Net earnings	**32,745**	41,529	27,380
– per share	**0.81**	1.02	0.69
Cash from operations	**91,792**	102,492	85,053
Net capital investments			
Fixed assets	**115,558**	140,135	155,359
Acquisitions/investments	**11,332**	15,766	6,158
Return on net assets	**11.9%**	11.1%	9.8%
Return on equity	**10.0%**	14.6%	11.3%
Financial Position			
Working capital	**30,244**	33,010	9,679
Total assets	**706,168**	658,098	657,213
Long-term debt	**238,695**	208,809	221,503
Shareholders' equity	**339,093**	313,325	279,127
Common Share Data			
Dividends paid	**0.18**	0.15	0.12
Book value	**8.37**	7.79	6.89
Number of common shares outstanding	**40,500,805**	40,216,905	40,527,490

Annual Meeting

Trimac's Annual and Special Meeting will be held Wednesday, May 1, 1996 at 10:30 a.m. at the Metropolitan Centre, 333 Fourth Avenue S.W., Calgary. We invite shareholders to attend and meet the officers and directors of the corporation. Those who are unable to attend are kindly requested to complete, sign and return their proxies.

For additional copies of this report or other information about the Trimac Group of Companies please contact:

Director, Investor Relations and Corporate Communications. Telephone (403) 298-5100; Facsimile (403) 298-8001; email: trimac@agt.net

Photo credit: Some of the vintage transportation photographs used throughout this Annual Report are from the Glenbow Museum Archives in Calgary.

Segmented Profile

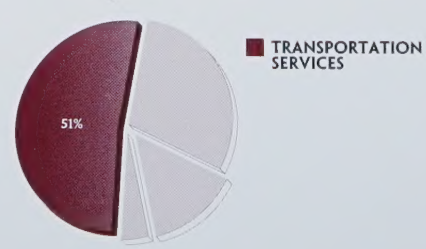
Transportation Services

Trimac Transportation System is a major North American trucking firm which specializes in hauling bulk products to an industrial customer base. Products carried include chemicals, cement, lime, fly ash, petroleum, asphalt, woodchips, edible liquids, compressed gases and other bulk commodities. The company also offers related distribution and management services.

(thousands of dollars)	1995	1994
Revenues	**$371,277**	$352,784
Pretax earnings	**12,598**	16,316

- ☐ Ownership – 100%
- ☐ Employees – 3,045

Trimac Limited Revenue



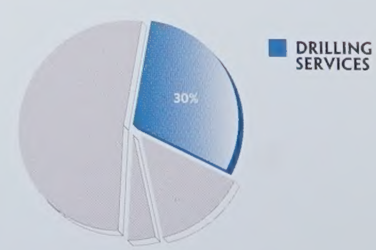
Drilling Services

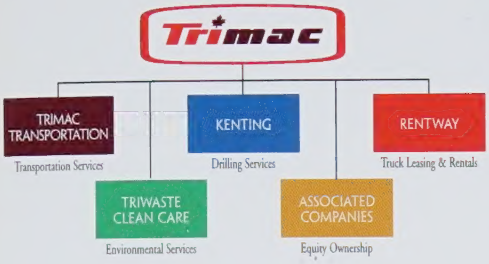
Kenting Energy Services is the largest Canadian-owned drilling company. It provides contract drilling services to companies involved in the exploration for and development of oil and natural gas reserves. The company operates 97 rigs in Canada, the United States, Argentina, Europe and other selected markets.

(thousands of dollars)	1995	1994
Revenues	**$214,791**	$205,074
Pretax earnings	**22,142**	33,629

- ☐ Ownership – 100%
- ☐ Employees – 1,653

Trimac Limited Revenue





PROFILE

Trimac Limited is a diversified multinational company with wholly-owned operations in bulk trucking, contract drilling, truck leasing and rentals, and environmental services. The company also has investments in six associated companies which operate in related industries.

CONTENTS

SEGMENTED PROFILE

TRANSPORTATION SERVICES

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TRIMAC LIMITED REVENUE

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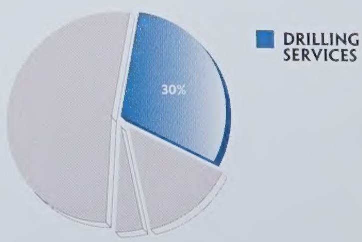
TRIMAC LIMITED REVENUE



Segmented Profile

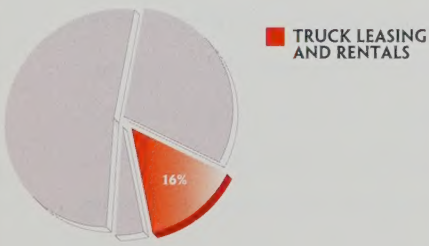
Truck Leasing & Rentals

Rentway Inc. provides truck fleet management services including full-service leasing, rentals, maintenance and repair services across Canada and several proximate U.S. markets. The company owns over 5,000 vehicles and operates the most extensive network of heavy duty truck shops in Canada.

(thousands of dollars)	**1995**	1994
Revenues	**$114,537**	$97,511
Pretax earnings	**5,022**	6,740

- ☐ Ownership – 100%
- ☐ Employees – 583

Trimac Limited Revenue



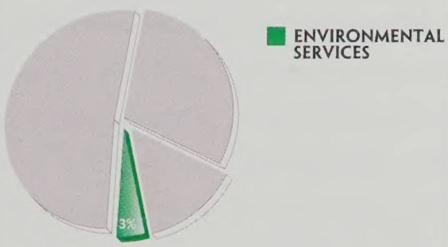
Environmental Services

TriWaste is involved in waste recycling and reduction, and produces and distributes value-added products derived from recovered materials.

(thousands of dollars)	**1995**	1994
Revenues	**$21,662**	$28,048
Pretax loss	**(12,704)**	(15,219)

- ☐ Ownership – 100%
- ☐ Employees – 72

Trimac Limited Revenue



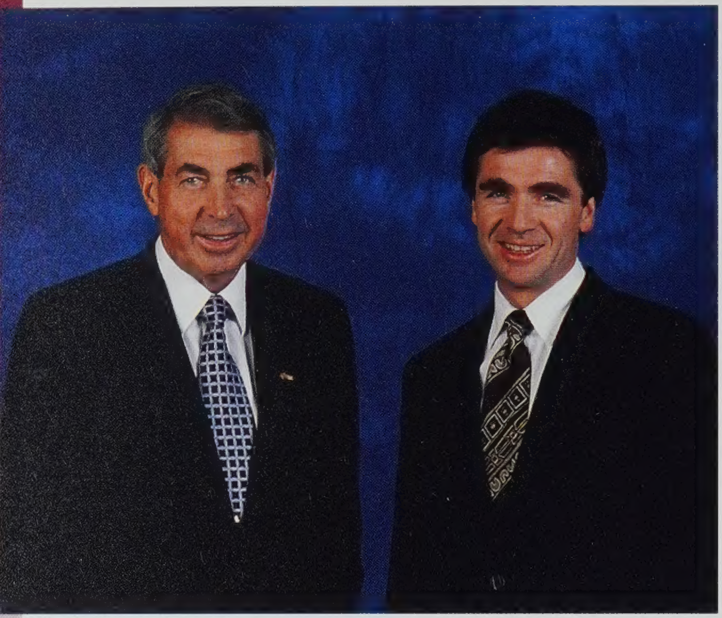
Associated Companies

Trimac has investments in related businesses involved in oil and gas exploration and production, oilfield equipment supply and drilling services (Chauvco Resources Ltd., Taro Industries Limited, Computalog and IITC Holdings Ltd.); environmental services (BOVAR Inc.); and engineering and construction (Banister Foundation Inc. and Bantrel Inc.).

(thousands of dollars)	**1995**	1994
Share of:		
Pretax earnings	**$ 9,775**	$ 11,239
Gain on dilution of equity interest	**706**	—
Gain of sale of assets (net)	**20,408**	—
Total	**$ 30,889**	$ 11,239
Carrying Value	**$116,375**	$100,612

Trimac Ownership

- ☐ Banister – 22.9%
- ☐ Chauvco – 14.2%
- ☐ Bantrel – 25.0%
- ☐ IITC Holdings – 39.7%
- ☐ BOVAR – 48.2%
- ☐ Taro – 19.7%
- ☐ Computalog – warrants



J.R. (Bud) McCaig
Chairman

J.J. (Jeff) McCaig
President and C.E.O.

Dear Shareholder

In 1995, Trimac Limited experienced continued strength in its Canadian bulk trucking and drilling operations, and realized a significant gain from the sale of assets by an associated company. Nevertheless, poor results in U.S. trucking, international drilling and environmental services, together with a substantially higher tax rate, led to lower earnings.

Consolidated Financial Results Revenues for the year were $722.3 million, up 5 percent from $687.2 million in 1994. Revenue growth was driven by greater volumes in Canadian trucking and truck leasing, as well as additional revenue in drilling services due to the acquisition of a drilling company in Argentina in May, 1995.

Earnings were $32.7 million ($0.81 per share), down from $43.4 million ($1.07 per share) before discontinued business and extraordinary item last year. Included in 1995 net earnings was $17.4 million ($0.43 per share) related to Trimac's net share of a gain by IITC Holdings Ltd. (formerly Intera Information Technologies Corporation) ("IITC") on the disposition of its petroleum software business. Earnings were stronger in Canadian trucking and only marginally lower in Canadian drilling, while U.S. trucking and international drilling posted losses. Earnings were negatively affected by continuing operating losses at TriWaste and a writedown of $6.6 million associated with the shutdown of its site remediation group. Earnings were also lower as a result of a higher consolidated tax rate as the tax loss carry forwards that sheltered earnings in the prior years were fully utilized by the end of 1994.

Operations In bulk trucking, Trimac Transportation's revenues were $371.3 million, up 5 percent from 1994. Growth in the Canadian marketplace, due primarily to greater volumes of cement, chemicals and woodchips, contributed to the revenue increases. In the U.S., revenues were essentially unchanged.

Pretax earnings for the year in trucking were $12.6 million, down from $16.3 million in 1994. Canadian earnings improved 11 percent over the year. In the U.S., a highly competitive chemical hauling business and greater than anticipated operating costs resulted in a loss for the year, which more than offset the earnings gain experienced in Canada.

In drilling, Kenting Energy Services had another year of strong results, second only to the record year of 1994.

Report to Shareholders

The operations were once again led by a very active Canadian drilling market where 11,062 wells were completed. These results were offset by international operations which performed below our expectations.

Total revenues for the Kenting Group were $214.8 million, up from $205.1 million in 1994. The revenue increase was due principally to the purchase of a drilling company in Argentina in May, 1995, which contributed $23.2 million in revenue in the eight month period. Revenues in U.S. drilling of $21.8 million were off 43 percent compared to 1994.

Pretax earnings for the year in drilling were $22.1 million, down from $33.6 million last year. Canadian earnings were $34.0 million, down slightly from $34.6 million last year. Losses were incurred in the U.S. and European operations due to lower activity levels. Results in Argentina were also disappointing due to an unexpected reduction in demand for drilling services from our major customer in Argentina and higher than anticipated operating and restructuring costs. The Canadian market remains very attractive for drilling contractors and we continue to believe that our acquisition in Argentina represents an entry into a market with significant potential.

Rentway's truck leasing and rental operations continued to grow in 1995. Total sales were $114.5 million, up from $97.5 million in 1994, with revenue gains coming from full service leasing as well as "Trukcare" maintenance services. Significant full service lease contracts awarded to Rentway in 1995 by companies like Coca-Cola Bottling, Ltd. and Maple Lodge Farms, reinforced the high quality service reputation that Rentway has in its marketplace. Pretax earnings were $5.0 million, down from $6.7 million in 1994 mainly as a result of a decline in margins in Rentway's commercial rental business which was affected by the slowdown of the economy in Ontario and Quebec.

Though progress on cost reductions was made at TriWaste in 1995, low utilization of its site remediation equipment resulted in continued losses from this operation and our decision to discontinue the site remediation business. These actions resulted in a charge to earnings for asset writedowns of $6.6 million, which brought losses, before taxes, for the year to $12.7 million.

Significant earnings were generated in 1995 through our investments in associated companies. Trimac's share of pretax earnings from its investments in associated companies totaled $30.9 million, up from $11.2 million in 1994 due primarily to the sale of the petroleum software division of IITC, which resulted in a gain on sale before taxes for Trimac of $20.4 million.

Outlook Each of our operating companies will have several challenges that they will have to address in order to improve on 1995 earnings.

We expect the trucking environment to remain highly competitive in both Canada and the U.S. in 1996. The Canadian operations should benefit from an ongoing recovery in demand for industrial commodities such as woodchips, base metals and cement. This division will continue to search for acquisitions which complement its existing operations.

In the U.S. trucking operations, the company will have to demonstrate that it can meet the major challenges of the changing chemical hauling industry. We expect the pricing environment to remain highly competitive and as a result,

Report to Shareholders

our performance in this industry will be largely dependent on our ability to manage costs. A divisional reorganization initiated in 1995 will help the business to become more efficient and an expanded central dispatch system should improve both operating efficiencies and customer service.

In drilling, early industry forecasts are for a continued high level of activity in Canada, with between 9,000 and 10,000 wells estimated to be drilled in 1996. Although down from the 11,062 wells drilled in 1995, this level of activity is still considered an active year for the industry. In Argentina, Kenting's challenge will be to continue to diversify its customer base and focus on further cost management. Utilization in the U.S. and European drilling operations is expected to remain low in 1996 and alternatives are currently being reviewed.

Rentway has demonstrated solid growth over the past five years and we believe that the continuing trend towards out-sourcing and third party maintenance services should provide additional growth opportunities for full service lease and "Trukcare" maintenance services. However, Rentway expects to achieve a more modest growth rate in 1996 as a result of lower commercial rental activity which is more directly tied to overall economic conditions in Canada.

We believe the remaining waste recycling and reduction business of TriWaste, which services the industrial and auto after markets, is well positioned to generate improved results in 1996.

We also believe that our investments in associated companies will continue to generate significant returns for our shareholders.

A 50 Year Tradition Trimac Limited is celebrating its 50 Year Anniversary in 1996. The company has come a long way from its roots as a small Western Canadian-based trucking operation to a diversified corporation with more than 5,800 employees and operations in Canada, U.S., Europe, South America and the Middle East. Throughout the year, we will celebrate this milestone and acknowledge the support of our past and present employees, customers and suppliers.

For over five decades, this company has been fortunate to attract a group of employees who understand what the term *service* really means. Whether it is the truck driver, mechanic, rig hand or support staff, our people, through their commitment to service, have built this company into the success it is today. It is this commitment which allows us to celebrate this significant milestone and we respectfully dedicate these celebrations to the employees, past and present, of the Trimac Group of Companies.

J.R. (Bud) McCaig
Chairman

J.J. (Jeff) McCaig
President and Chief Executive Officer

Corporate Mission and Core Values

Trimac Limited's purpose is to create value for our shareholders by delivering value to its customers through businesses that are primarily industrial and service oriented; and to do so in a manner consistent with a set of core company values. The management of Trimac Limited is committed to this Mission and these Core Values.

Our Mission Shareholder value is created when we earn a return that exceeds our cost of capital. Customer value is created when we deliver a service that meets or exceeds our customers' expectations. The link is people and processes. To sustain and enhance our competitive advantages, we must bring to bear our collective disciplines and experience; from the strategic knowledge of senior management to the specific knowledge of our people at the customer interface.

The core values we bring to our businesses are first and foremost respect for people, their initiative, productivity and integrity. We also stress high standards of customer service, operating safety, environmental responsibility, open communication and sound financial management in all our businesses.

Core Values We start from the premise that outstanding service and competitive advantage in service businesses is a function of people. The services that Trimac businesses deliver to their customers are delivered by individuals at a large number of geographically dispersed locations. It is crucial to the success of our businesses that:

(from left) ***Andrew B. Zaleski***, *V.P. Trimac & President, Trimac Transportation;* ***Ronald W. Waye***, *President, Rentway Inc.; and* ***Arthur E. Dumont***, *V.P. Trimac & President, Kenting Energy Services.*

(from left) ***Stephen W.C. Mulherin***, *V.P. Corporate Development & Associated Companies;* ***Terry J. Owen***, *V.P. General Counsel & Corporate Secretary;* ***T. Jerrold Jackson***, *V.P. Finance & C.F.O.; and* ***Robert D. Algar***, *V.P. Human Resources.*

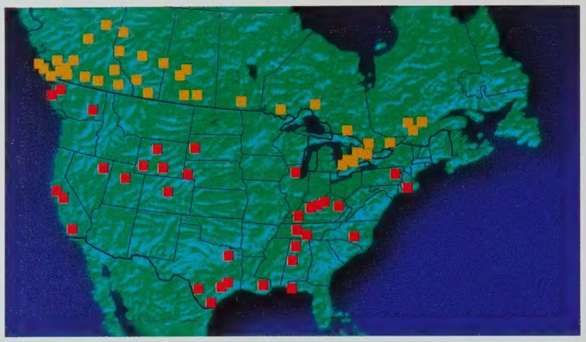
- We value the ability of people to act on their own, exhibiting creativity, enterprise and leadership;
- We recognize that continuous improvement in everything we do requires diligence and hard work;
- We operate at all times with strict personal honesty and integrity.

It is the responsibility of management to create an environment which recognizes and rewards those individuals who exemplify these values.

The translation of customer value to shareholder value requires our businesses be:

- Managed on a basis that facilitates communications characterized by openness and trust;
- Financed in a manner that is prudent, thereby ensuring the financial stability of the company;
- Operated in a way that stresses customer service, provides for the safety of the people, processes and equipment used to deliver services and minimizes the impact on the environment.

Transportation Services



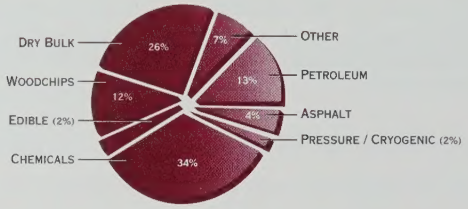
Trimac Transportation Terminal Locations

Canada 55 Terminals — United States 34 Terminals

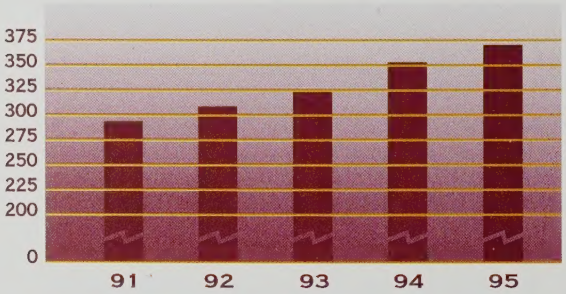
Hauling Capabilities

	Canada	U.S.	Total
Power units (owned & leased)	891	602	1,493
Trailers	2,487	1,577	4,064

Transportation Revenues by Commodity



Transportation Revenues *(Millions of Dollars)*



Transportation Financial Summary

(thousands of dollars)	1995	1994	1993
Revenues	**$371,277**	$352,784	$324,246
Earnings before interest and taxes	**19,489**	21,972	17,713
Pretax earnings	**12,598**	16,316	12,954
Cash from operations	**33,297**	39,501	33,281
Identifiable assets	**222,276**	219,348	202,373
Long-term debt	**73,751**	76,501	75,331
Depreciation and amortization	**28,329**	27,395	23,717
Net capital expenditures	**31,198**	33,114	40,063
Return on net assets (%)	**11.4**	13.4	11.9

1995 Overview

For Trimac Transportation, 1995 was a year characterized by revenue and earnings growth from its Canadian operations and weakness from its U.S. operations. Trimac Transportation's total revenues were $371.3 million, up five percent from 1994 with all gains coming from the Canadian marketplace. Despite stronger earnings from the Canadian operations, pretax earnings for the year were $12.6 million, down 23 percent from $16.3 million in 1994.

Canadian Operations The Canadian trucking operations continued to grow in 1995 with revenues reaching $227.6 million, up nine percent from $209.2 million in 1994 as a result of greater volumes and increased market share in cement, woodchips and cross border chemical hauling. Pretax earnings improved to $14.1 million, up 11 percent from $12.7 million the previous year. A one time gain of $0.8 million was recorded in 1995 as a result of the disposition of a 20 percent interest in Northern Resource Trucking Limited Partnership ("NRT"), a company serving the uranium industry in Northern Saskatchewan. NRT annual volumes grew to $18.3 million in 1995, up from $13.6 million in 1994. NRT was awarded a 3-year contract to provide bulk truck transportation services to Cogema Resources' newest uranium mine at McClean Lake, Saskatchewan.

Trimac's woodchip hauling business, which operates more than 300 specialized vehicles from branches in British Columbia, Alberta, Ontario and Washington, posted strong results in 1995 with revenues up 21 percent over the prior year. Growth occurred partly as a result of greater distances traveled for woodchip shipments due to more stringent timber cutting restrictions.

Despite an uncertain economy in Central Canada, increased market share in chemical hauling and related services also contributed to revenue growth in 1995. Trimac invested $3.0 million in an 8,000 square foot expansion of its Oakville, Ontario facility to provide additional cleaning capacity of Intermediate Bulk Containers for various customers under multi-year agreements.

In 1995, Trimac's market share in chemical hauling across the Canada/U.S. border increased. Pictured above is an MC-307 Three compartment trailer used in chemical hauling.

Revenues were up 21 percent at Bulk Systems, Trimac's woodchip hauling operation. Pictured at left is an 8-axle RTAC woodchip B-train shown during the unloading process.

Trimac continued its successful relationship with CN CargoFlo in 1995 as the Concord, Ont. facility, which has been jointly run for 11 years, became the first CN rail bulk intermodal facility to achieve ISO-9002-1994 certification. This facility, with annual throughput of 375,000 tons, serves the food, grain, chemical and plastics industries.

United States Operations 1995 represented a very challenging year for Trimac's U.S. trucking operations. Revenues were $143.7 million, virtually unchanged from 1994. A pretax loss of $1.5 million was incurred compared to pretax earnings of $3.6 million in 1994. Results were below last year due mainly to the highly competitive chemical hauling business and higher operating costs.

Chemical hauling, which represents about 60 percent of the U.S. division's business, is undergoing fundamental changes. Shippers in this industry previously required transporters, such as Trimac, to dedicate trailing equipment exclusively for their products. Some shippers now no longer require this dedicated equipment which means that backhauls must be obtained from other shippers in order to maintain profitability.

In order to address this changing environment, Trimac merged its two U.S. divisions into a centrally managed operation in Louisville, Kentucky. As well, a 24 hour a day command and control dispatch system was installed. Additional emphasis has also been placed on identifying target traffic lanes to reduce empty miles and increase equipment utilization.

In 1995, the company reviewed the profitability of some of its smaller terminals. This led to a closure of seven facilities with a consolidation of some of those revenues into other branches.

Despite the lower results, there were positive developments in the U.S. market. In the second quarter of 1995, Trimac resumed hauling nickel ore for the Glenbrook Nickel Company in Riddle, Oregon which reopened its nickel smelter. Trimac Transportation also was accepted as a partner by the Chemical Manufacturers Association in the Responsible Care® Partnership Program, acknowledging Trimac Transportation's commitment to the safety and environmental standards set by the Association.

Investment in Training In 1995, Trimac committed itself to improving training and communications by developing a comprehensive Branch Operation Training Program aimed at raising the performance standard of its front line management. This program consists of extensive classroom and field training for traffic

Trimac invested $3 million in 1995 for the addition of an 8,000 square foot intermediate bulk container cleaning facility at its Oakville, Ontario terminal (pictured below).

supervisors, branch managers and other operating personnel in areas such as systems, corporate policy, emergency response, marketing and human resources. By the time of the program's one-year anniversary in July, 1996, more than 220 managers from operations throughout the U.S. and Canada will have completed this program at an estimated cost of $1.4 million. Trimac believes that this training initiative, based on a common set of corporate-wide standards, will enable the company to improve operating efficiencies, enhance customer service and employee safety.

Outlook A highly competitive trucking environment in both Canada and the U.S. will mean continued challenges in 1996.

The outlook for bulk hauling in Canada appears positive for natural resource based products in areas such as woodchips and mining, while growth in cement and chemical hauling will be more sensitive to overall economic conditions.

A subsidiary of Trimac Transportation has been awarded a five year trucking logistics and inventory management contract with Imperial Oil in Ontario. Revenues are expected to be $40.0 million over the life of the contract which will commence in May, 1996.

In the U.S., we expect the competitive environment in this market to continue. Programs put in place in 1995 in the areas of cost reduction, driver and leased operator retention, risk management and improved central dispatch information technology are anticipated to improve results in the U.S. division.

Then: ***In 1958, this 4-axle cement unit, featuring air-slide unloading technology, was Maccam's first diesel-powered vehicle.***
Now: ***This 8-axle aluminum pneumatic B-train is an example of a Trimac cement carrier today.***

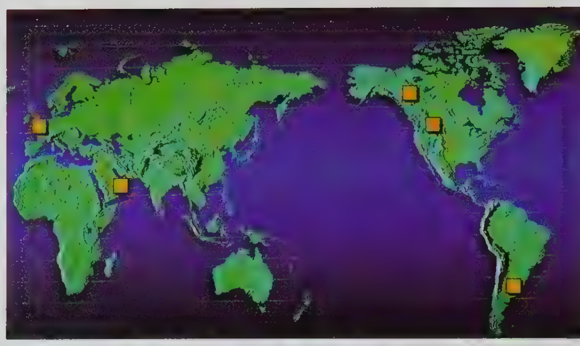
Transportation Then and Now

In 1945, Maccam Transport, Trimac's predecessor, operated with five trucks out of a one-stall garage in Moose Jaw, Saskatchewan. The contract with British American Oils required the four Maccam drivers to haul petroleum to select points in Saskatchewan.

Maccam Transport concentrated on obtaining the newest and best technology in the rapidly changing trucking industry. In 1958, the company began transitioning the fleet from gas-powered trucks and purchased one of the first diesel powered units in the country: a 4-axle cement carrier with air slide unloading technology (pictured above). Today's pneumatic trailers feature vacuum and self-loading models and are operated in configurations ranging from 5-axle tandems to 8-axle pneumatic B-trains (pictured above).

By the mid-1960's, Maccam had more than 100 trucks operating from four terminals. Petroleum products, cement and other bulk commodities were among the products transported throughout Saskatchewan, and parts of Manitoba and Alberta.

Today, Trimac Transportation's fleet is recognized as technologically advanced in the industry with close to 1500 tractors and more than 4000 trailers in operation from 89 locations throughout North America.



KENTING GROUP – LOCATION OF RIGS

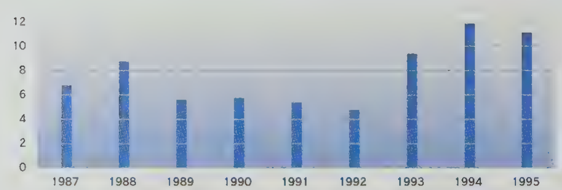
CANADA	UNITED STATES	EUROPE	ARGENTINA*	OMAN
64 RIGS	19 RIGS	8 RIGS	11 RIGS	1 RIG

RIG CAPACITY FOR DRILLING

Max. Depths	Kenting Hi-Tower	Sedco	Kenting Apollo	Kenting Argentina	Kenting Europe	Kenting Total
2,400 m (7,800 ft)	—	31	8	3	3	**45**
3,100 m (10,500 ft)	8	5	4	2	2	**21**
3,800 m (12,500 ft)	10	—	5	—	1	**16**
4,600 m (15,100 ft)	6	—	2	1	2	**11**
7,600 m (25,000 ft)	4	—	—	—	—	**4**
	28	36	19	6	8	**97**

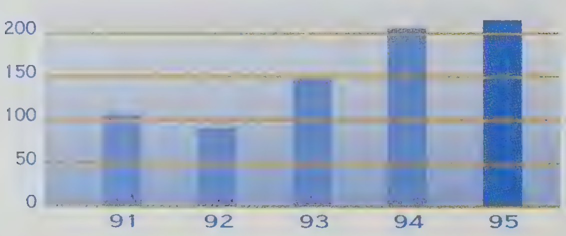
*Includes 5 work-over rigs

WELLS DRILLED IN CANADA *(Thousands)*



SOURCE CANADIAN ASSOCIATION OF OILWELL DRILLING CONTRACTORS

DRILLING SERVICES REVENUES *(Millions of Dollars)*



DRILLING SERVICES FINANCIAL SUMMARY

(thousands of dollars)	1995	1994	1993
Revenues	**$214,791**	$205,074	$149,776
Earnings before interest and taxes	**23,241**	34,051	17,512
Pretax earnings	**22,142**	33,629	16,959
Cash from operations	**28,359**	36,857	21,215
Identifiable assets	**130,250**	119,929	90,635
Long-term debt	**10,412**	3,579	7,569
Depreciation and amortization	**10,514**	6,867	5,522
Net capital expenditures	**18,311**	20,189	12,395
Return on net assets (%)	**25.7**	51.4	42.1

1995 OVERVIEW

The Kenting Group had another year of strong results, second only to the record year of 1994. The operations were once again led by a very active Canadian drilling market particularly in the first quarter of 1995 which proved to be the strongest quarter in Kenting's history. The strong results in Canada were, however, offset somewhat by losses in international operations which performed below Kenting's expectations. The company also expanded its operations with the acquisition of a drilling company in Argentina, making Kenting the largest and most diversified Canadian-owned drilling company.

Total revenues for the Kenting Group were $214.8 million, up from $205.1 million in 1994. The revenue increase was due principally to the purchase of a drilling company in Argentina in May, 1995 which contributed $23.2 million in revenue in the eight month period. Revenues in U.S. drilling of $21.8 million were off 43 percent compared to 1994.

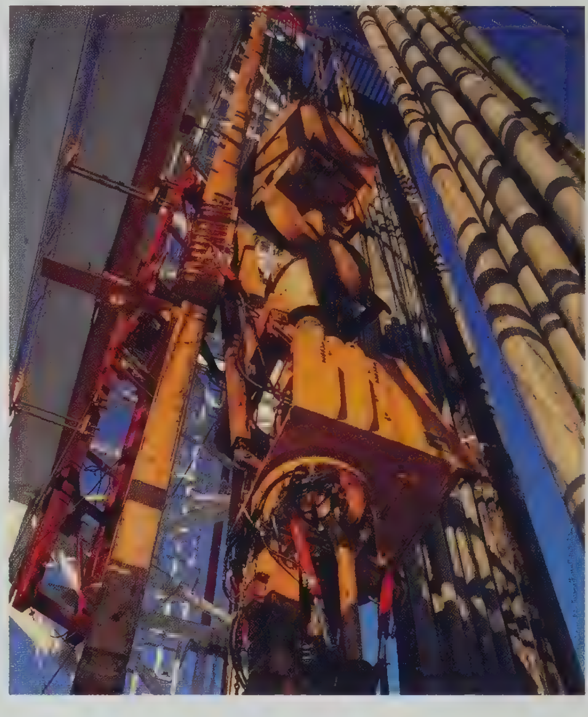
Pretax earnings for the year in drilling were $22.1 million, down from $33.6 million last year. Canadian earnings were $34.0 million, down slightly from $34.6 million last year. Losses were incurred in the U.S. and European operations due to lower activity levels. Results in Argentina were also disappointing due to an unexpected reduction in demand for drilling services from our major customer and higher than anticipated operating and restructuring costs.

Strong Canadian Operations Kenting's Canadian operations benefited from a very active market in Canada where 11,062 wells were drilled in 1995 compared to the record level of activity in 1994 when 11,872 wells were drilled. The 1995 level also represents the third straight year where more than 9,000 wells were drilled; a Canadian benchmark considered to be reflective of a strong market. Though gas prices declined in 1995, forcing many of the junior producers to significantly reduce their drilling programs, oil prices strengthened making it economical for many of the larger and oil-weighted producers to switch the focus of their drilling programs from gas to oil.

Kenting services the shallow market in Canada through Sedco Drilling. Sedco operates 36 rigs with a drilling capacity up to 3,100 metres.

Drilling Services

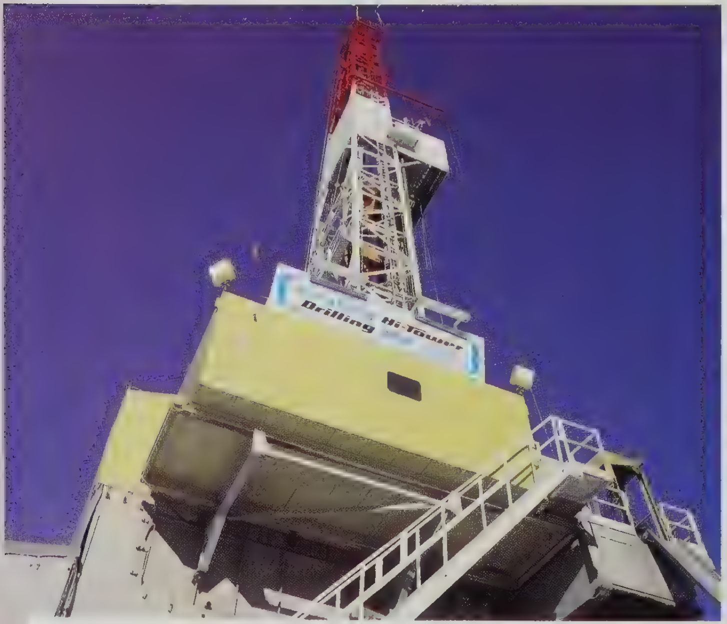
Many of Kenting's rigs include specialized equipment such as the portable top-drive unit pictured right.



Kenting services the shallow market in Canada through Sedco Drilling, which operates 36 rigs with a drilling capacity up to 3,100 metres. Sedco recorded 7,880 drilling days, down from 8,182 in 1994, reflecting the overall reduction in Canadian market activity. Sedco's rig utilization of 60 percent was down from the 68 percent recorded in 1994. Sedco continued gaining market share in horizontal drilling and was the number one horizontal driller in Canada with 261 wells, almost double the 134 wells drilled in 1994.

The deep market in Canada is serviced by Kenting Hi-Tower, which operates 28 rigs with drilling capacities up to 7,600 metres. Kenting Hi-Tower recorded 5,316 drilling days in 1995, down from 5,738 in 1994, due primarily to lower natural gas prices, as well as a longer and unusually wet spring and summer drilling season. These weather related conditions limited rig accessibility to more remote locations and contributed to the overall reduction in Kenting Hi-Tower's Canadian market activity. Kenting Hi-Tower's rig utilization of 51 percent was off from the 57 percent recorded in 1994 as a result of the above noted factors.

Kenting Hi-Tower is an industry leader in drilling critical sour gas wells and in 1995, completed a 5,100 metre horizontal project in Alberta.



Weaker U.S. Market The U.S. market is serviced by Kenting Apollo which operates 19 rigs primarily in the U.S. Rocky Mountain region. This market, primarily focused on natural gas targets, experienced a significant downturn in 1995 as gas prices declined resulting in the discontinuation of a majority of drilling programs. Drilling days were 2,288 (33 percent utilization) down from 4,193 (54 percent utilization) in 1994.

Europe Kenting operates 8 rigs in the European market. For the past 3 years, this operation has benefited from non-oil drilling related activity associated with the drilling of scientific boreholes for a U.K. government agency. Termination of this contract in 1995 reduced activity and earnings in this market. Drilling days were down to 701 compared to 1,604 in 1994. Some additional work was obtained in France, Spain and the Netherlands.

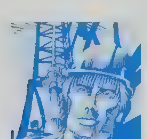
International Kenting completed its second full year of activity in Oman through its investment in Muscat Overseas Oil and Gas Drilling Co. L.L.C. Kenting reached an agreement to increase its ownership in this single desert style rig to 40 percent from 25 percent.

Entering the Argentina Market

Kenting entered its fifth drilling market in May, 1995 with the purchase of a drilling company in Argentina for $16.4 million. Kenting Drilling (Argentina) S.A. now operates six drilling and five workover rigs with a variety of customers including Argentina's largest oil and gas producer as well as Canadian producers working in the region. Kenting believes that Argentina is an attractive market for contract drilling services because it is less mature than the North American business that Kenting competes in, and because the business climate for both foreign and domestic oil and gas related companies is positive. Revenues were $23.2 million during the eight months in 1995 that the operation was owned by Kenting. A loss of $3.4 million was incurred as a result of lower than expected activity levels as well as higher than anticipated operating and restructuring costs associated with bringing the operation in line with Kenting's maintenance standards and low-cost operating philosophy.

Outlook 1996 will present both opportunity and challenge to the Kenting Group. In Canada, early industry forecasts are reflective of another strong year with estimates of wells to be drilled between 9,000 and 10,000. Though this level of activity would be lower than the 11,062 wells drilled in 1995, it would still be an active year for the industry.

In the international markets, Kenting will continue to address costs and fleet utilization issues based on each markets' expected levels of activity. In Argentina, Kenting will continue to diversify its customer base and maximize productivity with its restructured organization. The U.S. and European drilling markets are expected to continue at low utilization levels in 1996 and alternatives to reduce the company's exposure to these markets are currently being reviewed. Kenting will also continue pursuing selective opportunities with major western-based operators in regions such as the former Soviet Union through strategic partnership arrangements with other international drilling contractors.



Then: ***Sedco Drilling operated this rig out of Hines Creek, Alberta in 1957.***
Now: ***Kenting's rig capacities have more than doubled since the 1950's and are now capable of drilling up to 25,000 ft. (7,600 m).***

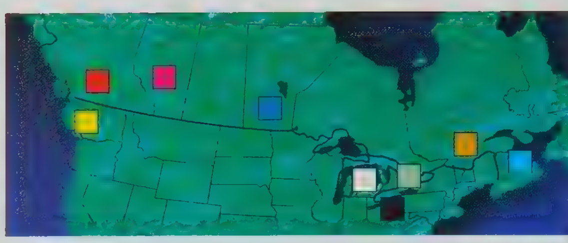
Drilling Then and Now

The companies of today's Kenting Group have roots which date back to the mid 1940's. The early drilling company had two rigs in 1945, and by 1956, this had increased to nine diesel rigs. Two of these rigs were designed for depths between 8,000 to 12,000 ft (2,900 to 3,700 m) and the other seven rigs had capacities between 5,500 and 8,000 ft (1,900 to 2,900 m). At that time, the company operated in Manitoba, Saskatchewan and Alberta.

Today, the Kenting Group is the largest Canadian-owned land drilling contractor experienced in conventional, directional and horizontal drilling techniques. Equipment now includes electrical rigs and specialized equipment such as travelling top-drive units. Rig capacities have more than doubled since the 1950's. The Kenting Group completed 1,754 wells in 1995, compared with 118 wells in 1957, and led all drillers in Western Canada last year with 285 horizontal wells.

Kenting currently operates 97 rigs in Western Canada, the U.S. Rocky Mountain region, the United Kingdom, Argentina and Oman.

Truck Leasing and Rentals



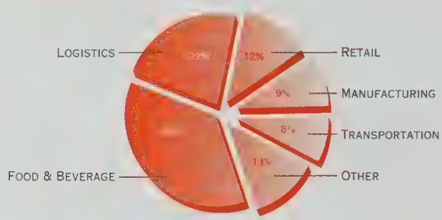
Rentway's Service Network

British Columbia	3	Ontario	14	Washington	1		
Alberta	3	Quebec	6	Michigan	1		
Manitoba	1	New Brunswick	1	Ohio	1		

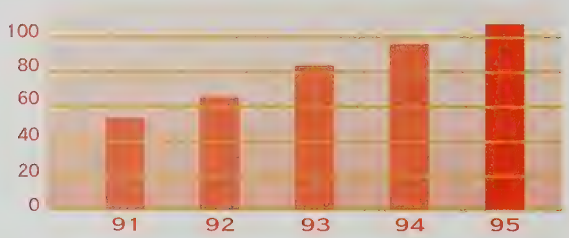
In addition to Rentway's 31 locations, this network is supplemented by Trimac Transportation facilities throughout Canada and the U.S., and by facilities of the members of both the NationalLease and Amtralease organizations throughout the United States.

Rentway owns over 5,000 vehicles, mainly heavy duty trucks, which are leased or rented to business, commercial, government and utility customers. Another 2,500 units owned by customers are covered by formal maintenance contracts.

Truck Leasing & Rentals Revenues by Customer Industry



Truck Leasing & Rentals Revenues *(Millions of Dollars)*



Truck Leasing and Rentals Financial Summary

(thousands of dollars)	1995	1994	1993
Revenues	**$114,537**	$97,511	$83,968
Earnings before interest and taxes	**17,333**	15,090	11,129
Pretax earnings	**5,022**	6,740	4,922
Cash from operations	**38,759**	32,912	26,531
Identifiable assets	**211,991**	182,961	131,359
Long-term debt	**152,044**	133,657	88,108
Depreciation and amortization	**38,364**	31,218	25,696
Net capital expenditures	**61,169**	75,190	48,944
Return on equity	**8.8**	13.6	13.0

1995 Overview

Rentway had its fifth consecutive year of double digit growth with revenues up 17 percent to $114.5 million. This growth was a combination of 20 percent plus growth rates in the core businesses — full service lease and "Trukcare" fleet maintenance – while the short term rental business was down slightly.

Earnings before taxes were $5.0 million in 1995 compared to $6.7 million in 1994. Margin improvements were achieved in full service leasing due to productivity improvements and cost reductions. The lower earnings were due principally to reduced margins in the commercial rental business. This business, which is sensitive to changes in the economy and to the demand for transportation services, prospered with the strong economy in 1994, but utilization rates and pricing levels suffered with the slower economic environment in 1995. Gains from the sale of used trucks were 16 percent lower than in 1994.

Out-sourcing Continues to Grow

During 1995, Rentway continued to build upon its reputation as a leading provider of full service leasing in Canada, particularly in the food services and beverage industry. Examples of this activity include major new contracts early in the year with Coca-Cola Bottling, Ltd. and Maple Leaf Foods and with Maple Lodge Farms late in the year.

Many large companies are out-sourcing the ownership and management of their private truck fleets in order to focus their resources on core competencies. Often, this means that Rentway will purchase vehicles from a customer and lease back the fleet. Other factors driving this decision include increased government regulations relating to trucks, service shops, and the environment.

Out-sourcing can include contracted fleet maintenance, full service leasing, dedicated contract carriage, or the entire logistics function. Rentway has developed strong partnerships with specialized non-asset based logistics companies to provide a solution for customers looking to increase the level of out-sourcing.

In 1995, Rentway was awarded a major contract with Coca-Cola Bottling, Ltd. Rentway is providing Coca-Cola with a full range of services including full service lease, rental, and "Trukcare" programs.

Truck Leasing and Rentals

Rentway's commitment to high standards of quality service helped the company become a supplier of truck rental service to Federal Express in Ontario and Quebec.

Superior Service During 1995, Rentway continued its focus on creating and enhancing the best national network of heavy duty truck shops and local employee teams. This activity leads and supports all other activities such as full service leasing and commercial rentals.

This leadership position includes the offering of a comprehensive package of "Trukcare" service for customer-owned fleets. "Trukcare PM" is a unique and flexible fleet maintenance management service including scheduled preventive maintenance and the fulfillment of all regulatory and safety requirements. At the end of 1995, there were 2,200 customer units under "Trukcare" contracts.

The newest offering is "Trukcare GTD" which provides a guaranteed fixed-cost maintenance program for customer-owned vehicles.

Rentway is committed to a process of continuously improving all aspects of its business with particular emphasis on customer service and value added activities. Specific examples of progress during the past year include:

- Initial implementation of a leading-edge shop management system. This client server-based system improves service and productivity while essentially eliminating the need for shop personnel to process paperwork.
- Additional quality training of all employees who participated in the establishment of new processes and standards, as part of the extensive preparation involved in the registration for ISO 9002.
- Opening of shops in new markets such as Burlington and Concord, Ontario; Boucherville and Quebec City, Quebec; and Seattle, Washington. Existing operations in London and St. Catharines, Ontario were upgraded to larger facilities.

Quality - The Continuing Journey

Rentway is entering its fifth year of "Plus Alpha Quality", its ongoing formal total quality process program. The current emphasis is on the registration to the ISO 9002 international quality standard. The unique and challenging approach being taken by Rentway is to simultaneously qualify all of its Canadian operations. This is an integral part of Rentway's strategy of having a consistent, high level of quality, customer service and performance at each and every location.

Exceeding the customers' expectations is the objective of every employee. This involves a partnership mind-set geared to meeting the broad corporate objectives of the customer on a continuing basis and designing customized solutions to satisfy these objectives. This requires a detailed

Rentway's network of heavy duty truck shops is the most extensive of any truck leasing company in Canada.

understanding of both the transportation industry as well as the customer's business.

To enhance understanding of customers' needs and Rentway's performance in meeting these needs, an in-depth customer survey was undertaken by a third party during 1995. Rentway is committed to understanding the customer feedback and implementing those actions necessary to address the opportunities for improvement.

The U.S. Market

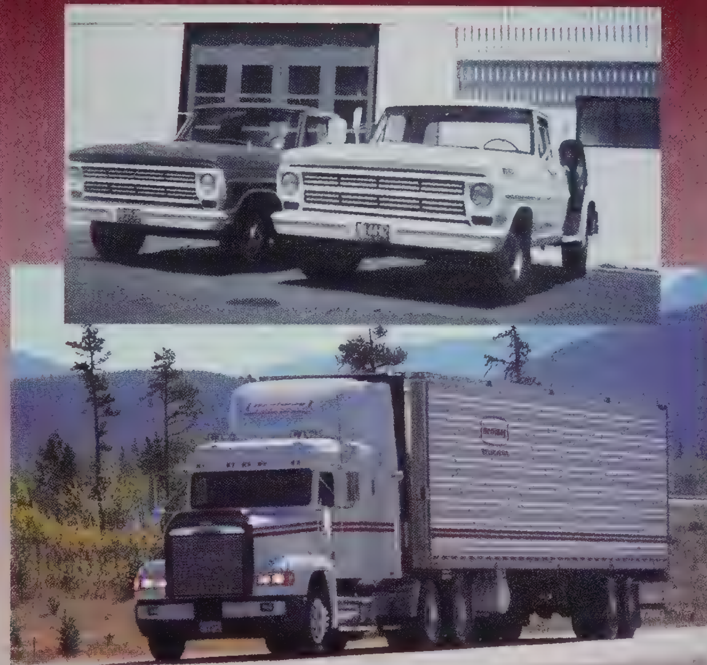
Revenues from U.S. operations doubled in 1995. A new branch was opened in Seattle, Washington and the Toledo, Ohio branch was relocated to a large, highly accessible, modern facility. Customized Transportation Inc., a major customer for Rentway in the Detroit area, is also continuing to grow. Rentway continues to explore opportunities in the U.S. market and is working closely with Trimac Transportation to fully leverage existing infrastructure in that market. It is anticipated that two additional branches will open in 1996.

Outlook

The slower and more uncertain economic environment in Ontario and Quebec, combined with the excess capacity existing in the transportation industry, will lead to lower levels of revenue growth in 1996. Rentway remains well positioned to benefit from the opportunities presented by the trend to out-sourcing. Full implementation of the "Shop Plus" system and ISO 9002 certification will aid Rentway in improving its returns in 1996.

Rentway will continue to look for opportunities to extend its market coverage and to add new and expanded service offerings.

Then: *In the late 1960's, Rentway provided fully-equipped half tons to the growing oil industry in Alberta.*
Now: *Rentway's Concept Truck is a state-of-the-art addition to its Commercial Rental fleet.*



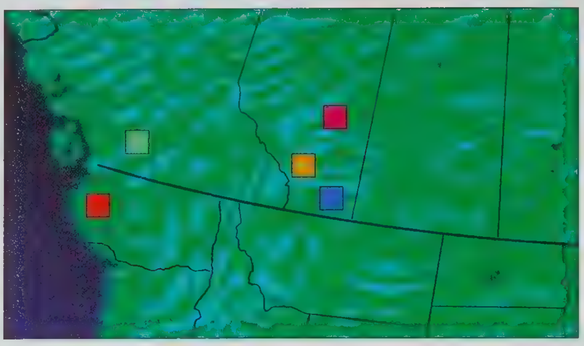
Rentway Then and Now

Shaw Truck Leasing began in Calgary, Alberta in the mid 1960's. In 1967, the company was renamed Rentway Canada Limited with a goal of becoming a national provider of truck rental and leasing services.

In the late 1960's, Project Rentals was at the forefront of the this business. The oil industry was growing in Alberta and Rentway supplied fully equipped half-tons complete with towing rope and a set of chains for the oilmen to navigate the terrain during the rugged northern Alberta winters. These popular heavy duty half tons listed 6 cylinders, four speed transmission and heavy duty springs and shocks as their significant features.

Today, Full Service Leasing represents the largest segment of Rentway's business and combines vehicles, maintenance and logistics to customers with diverse fleets. Today's vehicles have come a long way since the mid sixties and vehicles like Rentway's state-of-the-art "Concept Truck" (pictured above) offer customers a wide range of options that combine fuel economy, efficiency and safety, without compromising on power and comfort. The "Concept Truck" features a 430 horsepower engine with automatic transmission, anti-lock braking system, on-board collision warning system and a dashboard-mounted electronic information display.

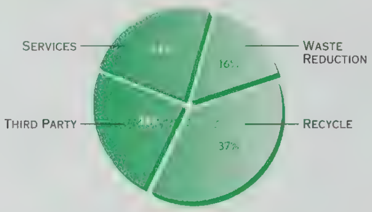
Environmental Services



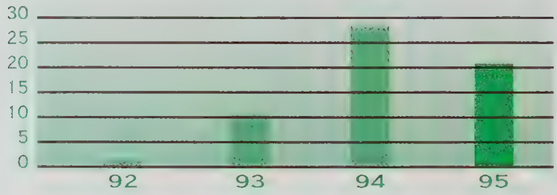
TriWaste Terminal Locations

Seattle Washington | Calgary Alberta | Raymond Alberta | Redwater Alberta | Abbotsford B.C.

Waste Streams by Treatment Type



TriWaste Revenues *(Millions of Dollars)*



Environmental Services Financial Summary

(thousands of dollars)	1995	1994	1993
Revenues	**$ 21,662**	$ 28,048	$10,293
Pretax loss	**$ (12,704)**	$(15,219)	$ (4,666)

1995 Overview

Though progress was made on restructuring TriWaste, costs associated with narrowing the range of services had a significant negative impact on the operating results.

Revenues for the year were $21.7 million compared to $28.0 million in 1994. The lower revenues were due to a reduction in the range of services offered by TriWaste as well as lower than expected activity in the site remediation group. Pretax losses were $12.7 million in 1995 and included a $6.6 million charge for the writedown of the site remediation assets. The loss in 1994 included an $8.9 million asset writedown.

At the beginning of 1995, a restructuring plan was implemented which involved the discontinuance of non-core business lines, a reduction of corporate overhead and an assessment of the two principal operating groups - the site remediation group and the waste recycling and reduction group. The site remediation group operated mobile equipment used principally in the cleanup of contaminated soils. As a result of low activity levels and weak ongoing commitments for this equipment, TriWaste discontinued this business in late 1995 and is in the process of selling the remaining assets of this group.

TriWaste continues to believe that value can be created by the waste recycling and reduction group, which specializes in the production and distribution of value-added products (principally chemicals and fuels) derived from recovered materials. The group operates out of four facilities located in Western Canada and five facilities in the northwestern United States. Revenues from this group were $15.7 million in 1995 compared with $12.0 million in 1994. Throughout 1995, results of these operations improved through the introduction of new products and the discontinuance of unprofitable segments.

Outlook With major restructuring completed and equipment from the site remediation group expected to be sold, TriWaste is now tightly focused and is not expected to generate further cash losses.

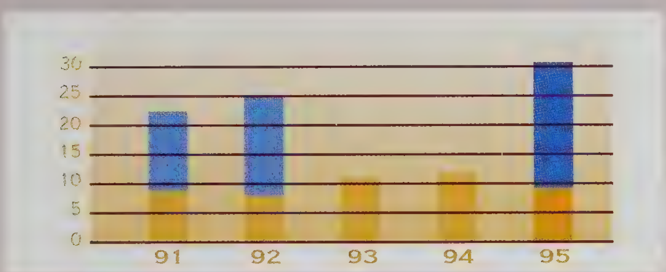
TriWaste's facility in Raymond, Alberta recycles solvents, glycols and other chemicals.

Associated Companies

Significant earnings were created in 1995 through our investments in associated companies. Trimac's share of pretax earnings from its six associated companies totaled $30.9 million, up from $11.2 million in 1994 due primarily to the sale of the petroleum software division of IITC Holdings which resulted in a gain on sale, before taxes, for Trimac of $20.4 million.

Trimac believes that its investments in associated companies will continue to provide the opportunity to create shareholder value. Based on the closing Toronto Stock Exchange prices, the pretax market value of these investments totaled $180.0 million or $4.45 per Trimac common share on December 31, 1995 compared to $222.4 million or $5.53 per Trimac common share at December 31, 1994.

Trimac Earnings from Associated Companies *(Millions of Dollars)*



Associated Companies

Company	Number of common shares owned as at Dec. 31, 1995	Percent	Carrying value as at Dec. 31 1995	1994	1993
			(thousands of dollars)		
Chauvco Resources Ltd.	6,873,392	14.2%	**$ 50,819**	$ 39,772	$ 34,935
Banister Foundation Inc.	1,865,104	22.9%	**24,264**	24,415	23,636
BOVAR Inc.	39,118,065	48.2%	**20,351**	15,332	—
IITC Holdings Ltd.	2,221,053	39.7%	**11,803**	12,473	8,151
Taro Industries Limited	1,138,220	19.7%	**7,021**	6,527	2,951
Others			**2,117**	2,093	1,810
Total			**$116,375**	$100,612	$ 71,483
Trimac's share of:					
• Earnings			**$ 9,775**	$ 11,239	$ 10,437
• Gain on dilution of equity interest			**706**	—	—
• Gain on sale of assets (net)			**20,408**	—	—
Earnings before taxes			**$ 30,889**	$ 11,239	$ 10,437

Chauvco Resources Ltd.

Trimac Ownership: 14.2% (CHA - TSE)

Chauvco is an intermediate oil and gas exploration and production company with activities in Western Canada and Argentina.

Revenues for the year were $206.5 million compared to $189.1 million in 1994. Net income was $25.4 million ($0.54 per share) compared to $29.1 million ($0.65 per share) in the previous year.

Crude oil and NGL production in 1995 increased slightly to 20,815 barrels per day from 20,754 barrels per day in 1994. Natural gas volumes were 98.4 million cubic feet per day, compared to 84.9 million cubic feet per day in 1994.

In 1995, Chauvco issued 3,500,000 common shares from treasury at $15.75. Proceeds from the offering were used to fund the company's ongoing oil and gas exploration, development and acquisition programs. Trimac participated in the offering at slightly less than its pro-rata interest.

A Chauvco well site in Argentina.

BOVAR

BOVAR INC.

Trimac Ownership: 48.2% (BVR - TSE)

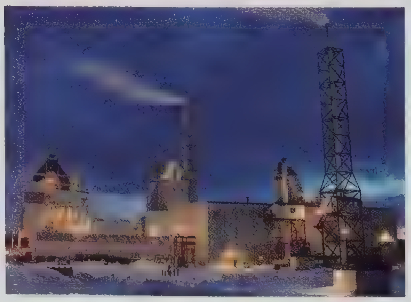
BOVAR is one of Canada's leading international providers of environmental and waste management products and services. It also operates, and is 60 percent owner of, Canada's only fully integrated hazardous waste treatment facility.

Revenues for the year were $93.8 million compared to $80.5 million in 1994. Net income was $10.8 million ($0.13 per share) compared to $7.1 million ($0.09 per share) in the previous year.

Revenue increases were generated in BOVAR's Waste Management division which includes BOVAR's 60 percent ownership in the Alberta Special Waste Management System (ASWMS). In 1995, ASWMS received approval to import hazardous waste from outside the province of Alberta to be destroyed in the company's state-of-the-art facility in Swan Hills, Alberta which, to date, has destroyed more than 120,000 tonnes of hazardous waste.

Subsequent to year end, BOVAR entered into a letter of intent with the Province of Alberta to acquire its 40 percent interest in ASWMS. Closing of the transaction is subject to completion of the definitive agreements.

BOVAR operates Canada's only fully integrated hazardous waste treatment facility in Swan Hills, AB.



BANISTER FOUNDATION INC.

Trimac Ownership: 22.9% (BAC - TSE)

Banister Foundation Inc. is a diverse Canadian construction company active in pipeline, civil, nuclear, building, utility and industrial construction.

Revenues for the year were $666.3 million compared to $527.4 million in 1994. Net income was $0.5 million compared to $4.7 million in the previous year.

During the year, the company successfully completed major projects in Romania, the Caribbean, the U.S. and Canada. Significant progress was also made on the Highway 407 electronic toll road north of Metropolitan Toronto which is 41 percent complete and continues to be on schedule and on budget.

Factors affecting 1995 results included a loss suffered on a pipeline project completed early in the year, cost overruns on two major building projects in British Columbia and losses on two large automotive industry related projects by Nicholls-Radke. No earnings were recognized from the Nathpa Jhakri hydro electric project in India due to delays.

Banister's work on the Highway 407 project north of Toronto is 41 percent complete.

TARO

TARO INDUSTRIES LIMITED

Trimac Ownership - 19.7% (TIN - TSE)

Taro Industries is involved in upstream oil and gas activities through the manufacture, sale and servicing of oilwell pumping and flow control products, and drilling and well servicing equipment used to enhance production in the petroleum industry.

Revenues for the year were $59.4 million compared to $59.3 million in 1994. Net earnings were $0.8 million ($0.14 per share) compared to $3.8 million ($0.68 per share) in the prior year. Lower levels of activity in the oil patch impacted pumpjack sales and margins.

In June, 1995, shareholders approved a one-for-ten consolidation of Taro common shares. In December, 1995, Trimac purchased an additional 275,000 common shares to bring its ownership to 1,138,220 shares, representing approximately 19.7 percent of the outstanding shares of Taro.

Taro manufactures and services oil and gas pumping and flow control products.

BANTREL

BANTREL INC.

Trimac Ownership: 25.0%

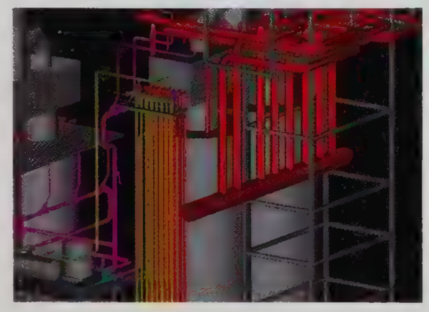
Bantrel is an engineering, procurement and construction management company providing services principally to the Canadian petroleum industry.

Earnings from this privately held company were up in 1995 compared to 1994.

In 1995, Bantrel achieved significant new work bookings for the year. This resulted in the company having its highest workload backlog ever. Major projects awarded include the Suncor Oil Sands Plant Upgrading Project, Sherritt Inc.'s Redwater Urea Expansion and Texaco's Anacortes Effluent Plant Upgrade.

Execution of ongoing work with Aramco, Imperial Oil and Petro-Canada progressed well, with continued emphasis on reducing project costs through quality management and value engineering processes. This success resulted in an existing alliance relationship with Imperial Oil Strathcona Refinery being extended through 1999.

Bantrel uses state-of-the-art 3D computer modelling in designing facilities.



COMPUTALOG

COMPUTALOG LTD.

(Warrants) (CGH - TSE; CLTDF - NASDAQ)

Computalog provides electronic wireline logging and directional drilling services to the oil and gas industry.

Trimac holds warrants to purchase 2,000,000 common shares of Computalog at $2.00 per share, expiring December 31, 1997. If exercised, Trimac would hold 15 percent of the outstanding shares of Computalog. These warrants were issued to Trimac in connection with a loan advanced to Computalog in 1992 which was repaid in 1994.

Revenues for the year were $108.6 million compared to $114.4 million in 1994. Net earnings were $7.6 million ($0.67 per share fully diluted) compared to $12.6 million ($1.10 per share fully diluted) in the prior year. The lower results were reflective of a decrease in Canadian drilling activity.

Subsequent to year end, Computalog completed its acquisition of 100 percent of the shares of Norjet Geotechnologies Inc., a company also involved in electronic wireline well logging.

Computalog's crew on location in eastern Venezuela.

IITC HOLDINGS

IITC HOLDINGS LTD.

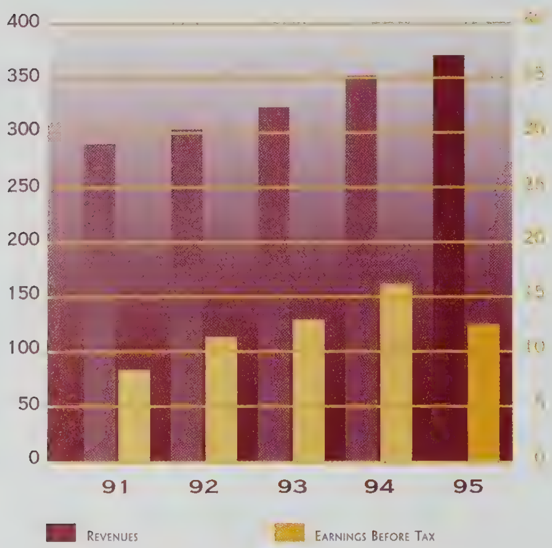
Trimac Ownership: 39.7%
(IIT.A - TSE,ASE; IITCF- NASDAQ)

IITC Holdings (formerly Intera Information Technologies Corporation) was involved in petroleum and resource management services and mapping and reconnaissance activities.

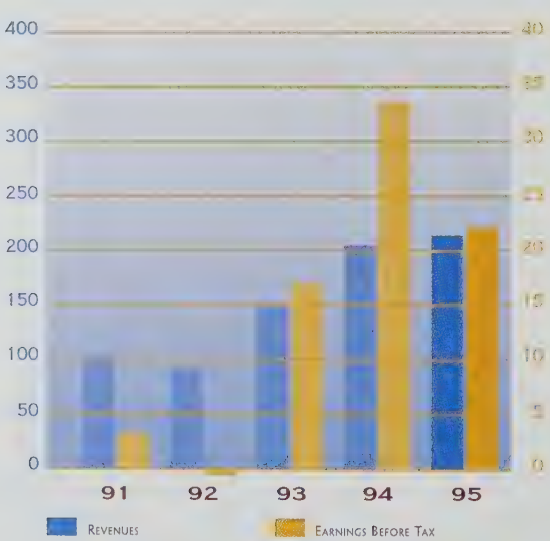
Revenues for IITC's fiscal year ended September 30, 1995 were $US 60.3 million compared to $US 67.6 million for the same period last year. Net earnings were $US 27.4 million ($US 4.94 per share) compared to a loss of $US 7.7 million (loss of $US 1.38 per share) in the prior year.

In 1995, the company recognized a pretax gain of $US 50.3 million associated with the sale of the Petroleum and Resource Management division's reservoir simulation software products and associated consulting services. Shareholders of IITC voted to liquidate the company and distribute the proceeds to its shareholders. After completing the sale of the petroleum division, IITC made a distribution of $8.00 per share in November, 1995.

TRANSPORTATION *(Millions of Dollars)*



DRILLING *(Millions of Dollars)*



OPERATIONS

SUMMARY

Total revenues in 1995 were $722.3 million, an increase of $35.1 million (5.1%) from 1994. Revenues increased in all business units except for TriWaste, which reduced its scope of operations in the year.

Earnings before discontinued business and extraordinary item were $32.7 million ($0.81 per share) compared to $43.4 million ($1.07 per share) in 1994. Earnings in 1995 included $17.4 million ($0.43 per share) related to a gain on the disposition of a division, net of provisions for asset impairment, liquidation and closure costs, by IITC Holdings Ltd. (formerly Intera Information Technologies Corporation), a 40% owned associated company accounted for by the equity method. Excluding this item, earnings in 1995 were down significantly from 1994 due mainly to poorer results in U.S. transportation and international drilling and a higher tax rate in 1995.

TRANSPORTATION

(thousands of dollars)	1995	1994	1993
Revenues			
– Canada	**$227,577**	$209,240	$192,515
– United States	**143,700**	143,544	131,731
	$371,277	$352,784	$324,246
Pretax earnings (loss)			
– Canada	**$ 14,115**	$ 12,731	$ 11,935
– United States	**(1,517)**	3,585	1,019
	$ 12,598	$ 16,316	$ 12,954

Canada

Revenues of $227.6 million increased $18.3 million (8.8%) from 1994 levels. Increased volumes of cement, asphalt and woodchip hauling in Western Canada and higher levels of chemical hauling in Central Canada were the principal reasons for this increase.

Pretax earnings of $14.1 million in 1995 compare to $12.7 million in 1994, an increase of $1.4 million. Earnings were positively affected by the higher revenue levels and:

- higher margins in Western Canada, due in part to a change in product mix;
- improved efficiencies in most lines of business in Eastern Canada; and
- a gain of $843,000 resulting from the reduction in Trimac's ownership from 49% to 29% in Northern Resource Trucking (a partnership operating in northern Saskatchewan).

United States

Revenues of $143.7 million ($US 104.8 million) were virtually unchanged from last year.

Revenues increased in the Western U.S. due in part to the re-opening of a nickel smelter at a Cominco subsidiary in April, 1995 which resulted in hauling revenues of $US 2.7 million. In the Eastern U.S., revenues decreased principally as a result of lower levels of chemical hauling and the closure of seven branches, where operations were considered noncompensatory.

The U.S. operation lost $1.5 million in the year compared to a profit of $3.6 million in 1994. The substantially lower results were mainly attributable to reduced margins in the Eastern U.S. Several large chemical customers have altered their transportation strategy and no longer insist on (and will not compensate Trimac and others for) a dedicated trailer fleet for the hauling of their products. Consequently, in many cases, Trimac must obtain backhauls from other customers in order to maintain trailer utilization and profitability. In addition, the operation experienced higher than normal accident costs in the year.

DRILLING

(thousands of dollars)	**1995**	**1994**	**1993**
Revenues			
– Canada	**$150,997**	$148,531	$102,621
– United States	**21,829**	38,167	33,596
– Europe	**18,723**	18,376	13,559
– Argentina	**23,242**	—	—
	$214,791	$205,074	$149,776
Pretax earnings (loss)			
– Canada	**$ 33,997**	$ 34,588	$ 15,328
– United States	**(2,795)**	(50)	307
– Europe	**(1,317)**	817	2,415
– Argentina	**(3,430)**	—	—
– Corporate & international costs	**(4,313)**	(1,726)	(1,091)
	$ 22,142	$ 33,629	$ 16,959

Canada

Revenues in Canada increased to $151.0 million from $148.5 million in 1994. Strong demand for oil and gas exploration and development drilling continued in 1995 due in part to relatively high gas prices in the early part of the year.

Sedco Drilling, Kenting's shallow drilling contractor, recorded 7,880 drilling days in 1995, compared to 8,182 in 1994. Average utilization for the year was 60% compared to 68% in 1994. Revenues were $85.2 million compared to $80.8 million in 1994. Pretax earnings in 1995 of $22.3 million were slightly below 1994. A higher contribution margin was offset by higher depreciation charges due to capital additions made in the year.

In the deep drilling market, Kenting Hi-Tower had 5,316 drilling days in 1995, a 7.4% decrease from 5,738 drilling days in 1994. Utilization of its rig fleet averaged 51% compared to 57% last year. Revenues of $65.7 million compare to $67.6 million in 1994. Pretax earnings were $11.7 million compared to $12.2 million last year. Higher general and administrative costs, due in part to expenditures on continuous improvement initiatives, combined with increased depreciation charges more than offset the higher contribution margin from drilling operations.

United States

In the United States drilling operations, revenues were sharply lower at $21.8 million compared to $38.2 million last year. Low natural gas prices in the U.S. reduced demand for shallow gas drilling in the Denver Julesberg basin, previously one of Kenting's principal areas of operation. Drilling days in 1995 were only 2,288 compared to 4,193 in 1994.

As a result of the substantially lower levels of activity, a pretax loss of $2.8 million was incurred in 1995 compared to a loss of $50,000 in 1994. In addition to the lower activity levels, the daily contribution margin also decreased by 23%.

Europe

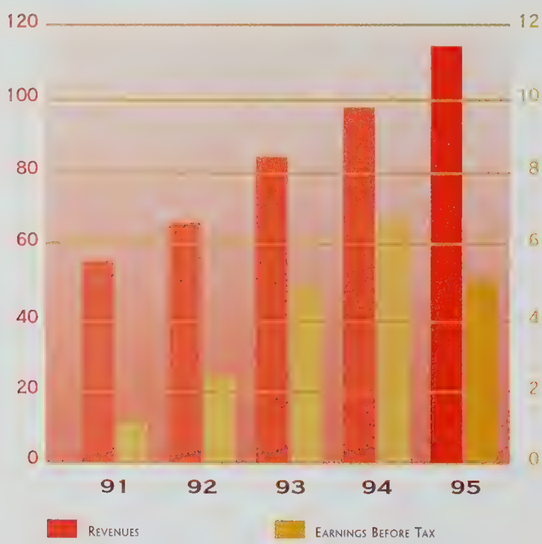
Revenue in Kenting's European drilling business increased slightly to $18.7 million from $18.4 million in 1994. Drilling days were only 701 compared to 1,604 last year. An early termination of Kenting's contract with U.K. Nirex, which involved the drilling of scientific boreholes, resulted in lower levels of activity. Revenues in 1995 included amounts for non-drilling activity related to standby earnings, mobilization fees for repositioning rigs and the provision of offshore equipment repair services, through a company acquired in late 1994, Edeco Petroleum Services.

A pretax loss of $1.3 million was incurred compared to a profit of $0.8 million in 1994 reflecting the lower activity levels.

Argentina

An Argentinean drilling company was acquired in May, 1995, for total consideration of $US 12.1 million. The operation

TRUCK LEASING AND RENTALS *(Millions of Dollars)*



includes six drilling rigs and five workover rigs. Revenue from this business unit totaled $23.2 million in the eight months ended December 31, 1995. A loss of $3.4 million was recorded in this same period reflecting lower than anticipated demand for drilling from YPF, Kenting's largest customer in Argentina and higher than anticipated operating costs. Results for the year were also affected by restructuring and other one-time costs of approximately $1.1 million.

Corporate and international costs

Total costs of the corporate office, including international business development costs, increased to $4.3 million from $1.7 million in 1994. Approximately $1.1 million of the increase is due to increased interest costs principally on funds used for the Argentina acquisition. In addition, $0.6 million of costs were incurred principally in improving management information systems within the Kenting Group.

TRUCK LEASING AND RENTALS

(thousands of dollars)	1995	1994	1993
Revenues	**$114,537**	$ 97,511	$ 83,968
Pretax earnings	**$ 5,022**	$ 6,740	$ 4,922

Revenues increased by $17.0 million (17.4%) to $114.5 million from $97.5 million in 1994. Revenue growth occurred principally in full service leasing, due to additional business obtained, and in the provision of vehicle maintenance services. Revenue from commercial rental activities increased by only 3% due to a softening in overall demand for class 8 trucks.

Pretax earnings decreased to $5.0 million from $6.7 million in 1994. Most of the decrease is attributable to lower margins in the commercial rental business due to a reduction in customer demand. Also, margins in full service lease were slightly lower due to reduced gains on resale.

ENVIRONMENTAL[1]

(thousands of dollars)	1995	1994	1993
Revenues	**$ 21,662**	$ 28,048	$ 10,293
Pretax loss	**$ (12,704)**	$(15,219)	$ (4,666)

1. Includes results of TriWaste, Trimac's wholly owned operation.

TriWaste's operations undertook additional restructuring in 1995 which resulted in further losses.

Revenues decreased to $21.7 million due to a reduction in the scope of services offered. TriWaste centralized its marketing

of mobile site remediation services in the first quarter, and, after a disappointing season of work, discontinued this division in the fourth quarter. Revenues from services provided to small quantity waste generators increased during the year in both the Canadian and United States operations.

Losses in the site remediation group and other discontinued operations of $9.4 million were comprised of $2.8 million of losses from operations and $6.6 million of additional asset writedowns as TriWaste reduced the carrying value of its site remediation assets to the estimated net recoverable amount.

Losses in the waste recycling and reduction group totaled $3.3 million in the year and arose in part from TriWaste's facility at Redwater, Alberta not becoming fully operational until the second half of the year. The United States operation improved its profitability due to revenue growth from its existing markets and further geographic expansion.

ASSOCIATED COMPANIES

Pretax earnings from Trimac's investments in associated companies was $9.8 million compared to $11.2 million last year.

Banister recorded a small profit in the year. Earnings in its civil and utility construction businesses were largely offset by losses in the pipeline construction business, due to lower levels of activity.

Earnings from BOVAR improved over 1994 levels due in part to a gain of $4.3 million as a result of the renegotiation of the Province of Alberta's commitments in respect of BOVAR and the Alberta Special Waste Management System ("ASWMS"). BOVAR reached agreement with the Province in which the Province transferred its 40% interest in ASWMS to a subsidiary of the Province and paid a total of $139.2 million to that subsidiary to satisfy its ongoing commitments to BOVAR and ASWMS. Subsequent to year end, BOVAR entered into a letter of intent with the Province to acquire that subsidiary for consideration based on a combination of the future earnings of the ASWMS and proceeds from the sale of any material portion of the facility.

Chauvco recorded lower earnings in the year due principally to a substantially lower price received from natural gas sales in Canada. Oil production averaged 20,815 barrels per day compared to 20,754 barrels per day last year. Daily gas production averaged 98.4 million cubic feet in 1995 compared to 84.9 million cubic feet in 1994. All of the increased gas production was in Argentina. Canadian gas production declined somewhat from last year.

		Trimac's share of pretax earnings		
Company	**% Ownership**[1]	**1995**	**1994**	**1993**
			(thousands of dollars)	
Chauvco Resources Ltd.	14.2	**$ 4,584**	$ 5,902	$ 4,945
Banister Foundation Inc.	22.9	**214**	1,894	4,068
BOVAR Inc.[2]	48.2	**5,232**	3,437	—
IITC Holdings Ltd.[3]	39.7	**(646)**	(914)	597
Taro Industries Limited[4]	19.7	**108**	643	499
Other	—	**283**	277	328
Pretax earnings from associated companies		**$ 9,775**	$ 11,239	$ 10,437
Pretax gain on sale of division of IITC Holdings Ltd.		**$ 20,408**	$ —	$ —

Notes:

1. As at December 31, 1995
2. Trimac owned 58% of BOVAR from September 30, 1992 to January 31, 1994 and consolidated BOVAR's financial statements during that period. Trimac did not participate in a share issue by BOVAR in January, 1994 and consequently Trimac's interest was reduced to 48%. Trimac has used the equity method to account for its investment in BOVAR since that date. If Trimac had used the equity method to account for its investment throughout 1994 and 1993, Trimac would have recorded $3.3 million in pretax earnings in 1994 and $410,000 in pretax earnings in 1993.
3. Formerly Intera Information Technologies Corporation.
4. Includes results from ALPECO Limited from January 1, 1993 to September, 1993 at which time Trimac sold its 45% interest in ALPECO in exchange for a 15% interest in Taro.

IITC Holdings Ltd. reported a loss from ongoing operations in the year due principally to poor results in its mapping division. In the third quarter of 1995, IITC sold its petroleum software division to a unit of Schlumberger for $US 57.0 million plus working capital. In connection with the sale, IITC also announced it would be selling all other assets and distributing the proceeds to shareholders. IITC recorded $US 16.1 million in provisions for asset impairment, estimated future operating losses and closure and liquidation costs. The net effect of these two items was an inclusion in IITC's income of $US 34.2 million of which Trimac's pretax share was $20.4 million. After completing the sale of the petroleum division, IITC made a distribution of $8.00 per share in November, 1995 (Trimac received a total of $17.8 million) and plans to distribute additional amounts after other divisions are sold.

Taro recorded reduced profits in the year generally as a result of reduced oilpatch activity in Western Canada.

Interest expense

Interest expense on long-term debt increased to $19.7 million from $12.9 million in 1994. Most of the increase is due to higher debt levels in the truck leasing business, reflecting the large capital program and continued growth in the full service lease business, and increased debt in the drilling business, due to the acquisition in Argentina.

Income tax expense

Consolidated income tax expense was $19.3 million which resulted in an effective rate of 36.8% compared to $5.3 million (10.9% effective rate) in 1994.

The effective rate increased substantially in 1995 as the accounting benefits of loss carryforwards, available in prior years, were utilized by the end of 1994. Application of these benefits in 1994 reduced the effective tax rate by 35.9 percentage points.

The tax rate in 1995 was affected by the inclusion in Trimac's income of a gain on the sale of a division (net of other one-time costs) by IITC, which was subject to low rates of tax at IITC due to tax loss carryforwards available to IITC. Excluding this amount, Trimac's effective tax rate would have been 50.9%. This rate is higher than statutory rates mainly because no tax recoveries have been recorded on losses incurred in the United States, Europe and Argentina.

Prior period adjustment

A prior period adjustment of $750,000 was recorded in 1995. This related to additional income tax expense recorded as a result of an income tax reassessment of the 1989 fiscal year.

CAPITAL EXPENDITURES

	Net capital expenditures		
(thousands of dollars)	**1995**	**1994**	**1993**
Transportation services	**$ 31,198**	$ 33,114	$ 40,063
Drilling services	**18,311**	20,189	12,395
Truck leasing and rentals	**61,169**	75,190	48,944
Environmental services			
TriWaste	**4,778**	10,180	6,495
BOVAR (see note)	—	1,402	47,353
Other	**102**	60	109
	$115,558	$140,135	$155,359

Note: BOVAR's financial results were consolidated with Trimac for the seventeen month period ended January 31, 1994.

Net capital expenditures totaled $115.6 million in 1995 compared to $140.1 million in 1994.

Net capital expenditures in Canadian transportation were $23.0 million compared with $19.8 million last year. The 1995 amount includes $1.4 million for the purchase of additional hauling equipment to service new lime hauling business obtained in Central Canada and $1.7 million for expanded woodchip hauling in Western Canada. In the United States, net capital expenditures were $8.2 million compared to $13.3 million last year. In 1994, $4.4 million was invested in additional facilities to service Rohm and Haas business and Trimac acquired Seattle based Pacific Trucking in 1994 for $2.7 million.

Net capital expenditures in drilling services were $18.3 million compared to $20.2 million in 1994. The 1995 amount excludes $15.9 million allocated to fixed assets in the purchase of the common shares of the Argentinean company. Approximately 87% of the total was invested in Canada largely for the replacement and upgrade of rig related equipment. Net capital expenditures in the United States and Europe totaled only $1.1 million due to the reduced activity in these markets. Net capital expenditures were $1.1 million in Argentina.

Net capital expenditures in truck leasing decreased to $61.2 million from $75.2 million in 1994. Most of the decrease is due to a reduction in the growth of Rentway's commercial rental fleet due to an economic slowdown in Central Canada in the first half of the year which resulted in a reduction in demand for class 8 trucks.

TriWaste invested $4.8 million in net capital in the year compared to $10.2 million in 1994. This decrease is due to a concentration on the waste recycling and reduction market and reduced investment in other business segments.

INVESTMENTS AND ACQUISITIONS

(thousands of dollars)	1995	1994	1993
Kenting Drilling (Argentina) S.A. (see note)	**$ 4,541**	$ —	$ —
Chauvco Resources Ltd.	**6,300**	—	—
Taro Industries Limited	**583**	3,000	—
IITC Holdings Ltd.	**—**	6,222	—
CleanCare Corporation	**—**	3,166	—
Concord Corporation	**—**	3,264	—
Banister Foundation Inc.	**—**	—	5,431
Other	**(92)**	114	727
	$ 11,332	$ 15,766	$ 6,158

Note: Amount is for the purchase of common shares and other acquisition costs and excludes approximately $11.9 million of liabilities assumed.

In January, 1995, Trimac participated in a common share issue by Chauvco, purchasing 400,000 shares for cash consideration of $6.3 million. This purchase was at slightly less than Trimac's pro-rata interest in Chauvco and Trimac's interest was reduced to 14.2% from 14.5%. Accordingly, Trimac recorded a pretax gain on dilution of $0.7 million in the first quarter of 1995.

In May, 1995, Kenting invested $16.4 million to purchase the shares of CADESA S.A. (now Kenting Drilling (Argentina) S.A.), an oil and gas drilling contractor based in Argentina.

In December, 1995, Trimac purchased an additional 275,000 shares of Taro for cash consideration of $0.6 million. This purchase increased Trimac's ownership from 15.0% to 19.7%.

FINANCIAL RESOURCES & LIQUIDITY

Cash from operations decreased to $91.8 million from $102.5 million in 1994. As indicated below, this decrease is due mainly to lower earnings in the transportation and drilling businesses. Cash from operations increased in the truck leasing business as lower earnings were more than offset by higher depreciation charges.

CASH FROM OPERATIONS

(thousands of dollars)	1995	1994	1993
Transportation services	**$ 33,297**	$ 39,501	$33,281
Drilling services	**28,359**	36,857	21,215
Truck leasing and rentals	**38,759**	32,912	26,531
Environmental services			
TriWaste	**(4,077)**	(5,999)	(3,468)
BOVAR	**—**	340	7,204
Other	**(4,546)**	(1,119)	290
	$ 91,792	$102,492	$85,053

At December 31, 1995, long term debt was comprised of the following:

LONG-TERM DEBT

(thousands of dollars)	1995	1994	1993
Transportation services	**$ 73,751**	$ 76,501	$ 75,331
Drilling services	**10,412**	3,579	7,569
Truck leasing and rentals	**152,044**	133,657	88,108
Environmental services			
TriWaste	**2,488**	1,072	605
BOVAR	**—**	—	87,390
Less: intercompany debt included in above	**—**	(6,000)	(37,500)
	$238,695	$208,809	$221,503

Trimac's philosophy with respect to subsidiary borrowing from third parties is to provide each subsidiary with sufficient equity capital to be able to borrow on the basis of its own balance sheet. Consequently, Trimac Limited does not guarantee the debt of its subsidiary companies. The only exception to this is with respect to TriWaste where financial results to date do not permit third party borrowing in the absence of some form of parental support.

As at December 31, 1995, total long-term debt was $238.7 million compared to $208.8 million at the previous year end.

Long term debt increased in the drilling services business to $10.4 million due to the purchase of the drilling company in Argentina.

As in prior years, the largest increase in debt occurred in truck leasing due to capital expenditures of $61.2 million which

were in excess of cash from operations of $38.8 million. Leverage is required in the leasing business in order to earn an acceptable return on equity. Rentway operates so as to keep its debt-to-equity ratio between 5:1 and 6:1. As at December 31, 1995, this ratio was 5.3:1. Rentway also fixes the interest rate on debt used to finance assets which are under full service lease. This results in approximately 75% of Rentway's debt being at fixed rates for the term of the lease. Financing for rental units, which usually have a rental term of less than one year, is generally done at floating rates.

Trimac has two interest rate cap agreements which expire in 1996. These caps, covering $Cdn. 20.0 million and $US 10.0 million in notional principal amount, provide relief to Trimac if the 90 day Bankers Acceptance rate rises above 11% for the Canadian dollar denominated portion and if the three month LIBOR rises above 9% for the United States dollar portion. Trimac continues to explore the benefits of interest rate protection and may fix or cap the interest rate on additional long-term debt in 1996.

Other than the above, Trimac's borrowings are generally at floating rates. At current debt levels, a one percent increase in the prime or base rate will reduce net income by approximately $530,000 ($0.01 per share).

Trimac generally does not keep excess cash balances on hand as such cash is used to pay down operating and revolving lines of credit. At December 31, 1995, cash balances of $8.5 million were comprised of amounts used to collateralize letters of credit and other amounts which had not yet been used to reduce debt levels. Availability of credit from unused long-term bank financing totaled approximately $50.7 million at year end. Trimac does not anticipate requiring additional lines of credit in 1996.

OUTLOOK

Trimac anticipates improved earnings from its core operating businesses in 1996.

Trimac Transportation is expecting results in Canada to continue to reflect overall stable levels of economic activity. A continued focus on improving the quality of service delivered to customers will require further investments in personnel training and information systems. In the U.S., the movement of shippers away from requiring a dedicated fleet will continue to affect margins and our efforts in 1996 will concentrate on developing further backhaul opportunities.

Results at Kenting Energy Services continue to be largely dependent on the level of oil and gas exploration and development spending in the Canadian market which in turn is driven by the prices for oil and natural gas. The Canadian Association of Oilwell Drilling Contractors has predicted that 9,600 wells will be drilled in 1996. While this is down from the 11,062 wells drilled in 1995, it still represents a relatively high level of activity which, if attained, would be expected to result in another strong year for our Canadian drilling operations.

Outside of Canada, Kenting will be focusing on improving the financial performance of its U.S., U.K. and Argentinean operations. In the U.S. and U.K., Kenting does not expect any significant growth in demand and consequently will be examining other alternatives for these operations. The significant restructuring of our drilling business in Argentina, undertaken in 1995, combined with increased utilization of the drilling rigs, should lead to improved results in 1996.

Truck leasing and rentals is expected to continue to grow but at a somewhat slower rate in 1996 due principally to lower levels of economic activity in Central Canada. Out-sourcing by major corporations remains a strong element supporting growth. Rentway will be focusing on improving its return on equity through more cost effective maintenance programs for our lease and rental customers and increased volumes of third party maintenance services.

TriWaste operations will be focused solely on its remaining waste recycling and reduction business which is not expected to incur any further substantial cash losses.

Management Report

The accompanying financial statements are the responsibility of management and have been prepared in accordance with generally accepted accounting principles and, where appropriate, reflect estimates based on management's judgement. In addition, all other financial and operating information contained in this annual report is the responsibility of management and is consistent with the information in the financial statements.

Trimac maintains adequate systems of internal control to provide reasonable assurance as to the completeness and accuracy of all financial information as well as to safeguard its assets. These internal controls include the delegation of authority and the segregation of responsibilities in accordance with policies and procedures.

The Board of Directors appoints an Audit Committee which is comprised of non-management directors. The Audit Committee meets at least twice a year with management and Price Waterhouse, Trimac's external auditors. The Committee reviews, among other things, Trimac's accounting policies, annual financial statements, the results of the external audit examination and the management discussion and analysis included in the annual report. The Audit Committee reports its findings to the Board of Directors so that the Board may properly approve the annual financial statements.

J.J. McCaig
President and Chief Executive Officer

T. J. Jackson
Vice President Finance and Chief Financial Officer

February 13, 1996

Auditors' Report

To the Shareholders of
TRIMAC LIMITED:

We have audited the consolidated balance sheets of Trimac Limited as at December 31, 1995 and 1994 and the consolidated statements of earnings, retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1995 and 1994 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Price Waterhouse
Chartered Accountants
Calgary, Alberta
February 13, 1996

Consolidated Statement of Earnings

	Year ended December 31	
(thousands of dollars except per share amounts)	**1995**	**1994**
REVENUES	**$722,267**	$ 687,163
OPERATING COSTS AND EXPENSES		
Direct	**493,828**	468,150
Selling and administrative	**98,594**	91,029
Depreciation and amortization	**79,450**	68,594
Gain on sale of fixed assets	**(4,684)**	(6,294)
Write-down of assets *(Note 10)*	**6,608**	8,892
	673,796	630,371
OPERATING EARNINGS	**48,471**	56,792
Associated companies *(Note 6)* – earnings	**9,775**	11,239
– gain on dilution of equity interest	**706**	—
– gain on sale of assets (net)	**20,408**	—
Interest expense – long-term debt	**(19,650)**	(12,910)
Other interest expense – net	**(1,997)**	(648)
General and administrative costs	**(5,292)**	(5,542)
EARNINGS BEFORE TAXES AND MINORITY INTEREST	**52,421**	48,931
Income tax expense *(Note 3)*	**(19,312)**	(5,340)
Minority interest	**(364)**	(187)
EARNINGS BEFORE DISCONTINUED BUSINESS AND EXTRAORDINARY ITEM	**32,745**	43,404
Discontinued business *(Note 4)*	**—**	(424)
EARNINGS BEFORE EXTRAORDINARY ITEM	**32,745**	42,980
Extraordinary item *(Note 5)*	**—**	(1,451)
NET EARNINGS	**$ 32,745**	$ 41,529
EARNINGS PER SHARE		
Before discontinued business and extraordinary item	**$ 0.81**	$ 1.07
Net earnings	**$ 0.81**	$ 1.02

Consolidated Statement of Retained Earnings

	Year ended December 31	
(thousands of dollars)	**1995**	**1994**
RETAINED EARNINGS, BEGINNING OF YEAR, as previously reported	**$160,075**	$ 126,898
Adjustment due to tax reassessment *(Note 2)*	**(750)**	(750)
Adjustment due to settlement of previously recognized liability *(Note 2)*	**—**	1,953
RETAINED EARNINGS, BEGINNING OF YEAR, as restated	**159,325**	128,101
Net earnings	**32,745**	41,529
Dividend paid on common shares	**(7,244)**	(6,086)
Reduction as a result of the purchase of common shares	**—**	(4,219)
RETAINED EARNINGS, END OF YEAR	**$184,826**	$ 159,325

Consolidated Balance Sheet

(thousands of dollars)	December 31 1995	 1994
ASSETS		
CURRENT ASSETS		
Cash and term deposits	**$ 8,535**	$ 14,525
Accounts receivable	**109,674**	120,919
Materials and supplies	**7,783**	5,983
Prepaid expenses	**19,094**	17,911
	145,086	159,338
INVESTMENTS AND ADVANCES		
Investments in and advances to associated companies *(Note 6)*	**116,375**	100,612
Notes receivable and other *(Note 8)*	**1,709**	2,114
	118,084	102,726
FIXED ASSETS *(Note 9)*	**434,821**	387,592
GOODWILL AND AUTHORITIES	**8,177**	8,442
	$706,168	$ 658,098
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank advances, secured *(Note 11)*	**$ 16,294**	$ 20,832
Accounts payable and accrued liabilities	**89,073**	94,429
Income taxes payable	**1,478**	3,843
Current maturities of long-term debt *(Note 12)*	**7,997**	7,224
	114,842	126,328
LONG-TERM DEBT *(Note 12)*	**238,695**	208,809
DEFERRED INCOME TAXES	**11,222**	7,101
MINORITY INTEREST	**2,316**	2,535
SHAREHOLDERS' EQUITY		
Common share capital *(Note 13)*	**151,666**	149,723
Cumulative translation adjustment	**2,601**	4,277
Retained earnings *(Note 2)*	**184,826**	159,325
	339,093	313,325
CONTINGENCIES AND COMMITMENTS *(Note 15)*		
	$706,168	$ 658,098

Approved by the Board:

J.R. McCaig, Director

J.J. McCaig, Director

Consolidated Statement of Changes in Financial Position

	Year ended December 31	
(thousands of dollars)	**1995**	**1994**
CASH PROVIDED (USED)		
OPERATIONS		
Earnings before discontinued business and extraordinary item	**$ 32,745**	$ 43,404
Depreciation and amortization	**79,450**	68,594
Gain on sale of fixed assets	**(4,684)**	(6,294)
Write-down of assets	**6,608**	8,892
Deferred income taxes	**4,148**	(3,999)
Associated companies – net earnings	**(8,505)**	(8,282)
– gain on dilution of equity interest	**(706)**	—
– net gain on sale of assets	**(17,403)**	—
Other non-cash items	**139**	177
Cash from operations	**91,792**	102,492
Net change in non-cash working capital balances	**(6,589)**	(19,913)
Net cash flow	**85,203**	82,579
INVESTMENTS		
Purchases of fixed assets	**(150,303)**	(173,435)
Proceeds on sale of fixed assets	**34,745**	33,300
Net capital expenditures	**(115,558)**	(140,135)
Investment in subsidiary and associated companies	**(11,332)**	(15,766)
Proceeds of distribution from associated company	**17,769**	—
Other	**536**	5,692
Cash used for investments	**(108,585)**	(150,209)
FINANCING		
Increase in long-term debt	**53,407**	80,497
Repayments of long-term debt	**(21,945)**	(5,305)
	31,462	75,192
Issue of common share capital	**1,943**	612
Shares purchased for cancellation	**—**	(5,699)
Net change in working capital loans	**(8,769)**	3,578
Dividend paid on common shares	**(7,244)**	(6,086)
Cash provided by financing	**17,392**	67,597
Net decrease in cash	**(5,990)**	(33)
Cash, beginning of year	**14,525**	14,558
CASH, END OF YEAR	**$ 8,535**	$ 14,525

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of Trimac Limited ("the Corporation") and its subsidiaries (collectively "Trimac"). All of the subsidiaries, with the exception of CleanCare Corporation in which Trimac has a 60% interest, are wholly owned.

Investments in associated companies are accounted for by the equity method. Under the equity method, the cost of the investment, including goodwill at acquisition, is adjusted for Trimac's share of undistributed earnings or losses, goodwill amortization and capital transactions.

Goodwill and authorities

Goodwill and authorities are being amortized on a straight line basis primarily over periods of up to 10 years. The value of the unamortized portion of goodwill is assessed for impairment annually by reference to the entity operating income.

Income from contracts

Income from contracts is recorded by the percentage-of-completion method of accounting. Any anticipated losses are provided for in their entirety.

Fixed assets

Depreciation is provided at rates which will amortize costs to estimated residual values, over the assets' estimated useful lives, mainly as follows:

Asset	Depreciation method	Estimated useful life (years)
Land drilling rigs	Straight line (residual - 0% to 25%)	15
Highway tractors	Varying percentages of original cost (residual - 5%)	7
Highway trailers	Straight line (residual - 4%)	7 - 10
Rental vehicles	Varying percentages of original cost	3
Lease vehicles	Varying percentages of original cost	3 - 5
Plant and equipment	Straight line	7 - 15
Buildings and other	Various	4 - 25

Interest and other costs are capitalized with respect to assets under construction. Costs capitalized in 1995 were $nil (1994 - $223,000).

NOTE 2 – PRIOR PERIOD ADJUSTMENTS

a) Tax reassessment

During 1995, a tax reassessment relating to the 1989 fiscal year was received, increasing income for tax purposes by $1,723,000. Tax expense of $750,000 relating to the reassessment has been provided by the Corporation. At December 31, 1993 retained earnings were decreased by $750,000 and deferred income taxes increased by the same amount.

b) Settlement of previously recognized liability

During 1994, a settlement was reached with respect to the litigation commenced by a former officer and director of Trimac Limited. The amount settled upon, plus interest to June 7, 1994, less costs recovered and a deferred tax provision of $270,000, was $1,953,000 less than amounts previously provided by the Corporation. This reduction relates to the 1987 fiscal year and was recorded as a prior period adjustment in 1994. At December 31, 1993 retained earnings were increased by $1,953,000, deferred taxes were increased by $270,000 and accounts payable were decreased by $2,223,000.

NOTE 3 – INCOME TAXES

The income tax provision is comprised of the following:

(thousands of dollars)	1995	1994
Current	**$ 10,889**	$ 6,382
Deferred	**4,148**	(3,999)
Associated companies	**4,275**	2,957
	$ 19,312	$ 5,340

The provision varies from what would otherwise be expected, for the reasons set out below:

(thousands of dollars)	1995		1994	
	Amount	Percent of earnings before tax	Amount	Percent of earnings before tax
Computed "expected" tax	**$ 23,170**	**44.2**	$ 21,628	44.2
Recognition of previously unrecorded tax loss benefits	**(6,931)**	**(13.2)**	(17,570)	(35.9)
Loss for which no tax benefit has been recognized	**4,005**	**7.6**	1,047	2.1
Rate reduction on capital gains	**(1,091)**	**(2.1)**	—	—
Capital taxes	**1,417**	**2.7**	1,146	2.3
Other	**(1,258)**	**(2.4)**	(911)	(1.8)
	$ 19,312	**36.8**	$ 5,340	10.9

Loss carryforwards in the United States for which no benefits have been recorded total $US 54,122,000 at December 31, 1995. These losses expire as follows: 1998 - $33,242,000; 1999 - $12,190,000; 2000 - $472,000; 2002 - $1,702,000; 2004 - $3,042,000; 2010 - $3,474,000.

During 1989, Trimac acquired two contract drilling businesses. One of the assets acquired related to $142,504,000 of losses and tax costs in excess of book costs carried forward for income tax purposes. As at December 31, 1995 these losses have been claimed for accounting and income tax purposes in their entirety and, as a result, a cumulative benefit of $45,095,000 has been recognized as income. Subject to the ultimate acceptance of these costs and losses by taxing authorities, management is of the opinion that such costs and losses will be available to Trimac and the cumulative benefit previously recognized as income will be realized.

NOTE 4 – DISCONTINUED BUSINESS

The loss from discontinued business in 1994 of $424,000 represents Trimac's share of the losses recorded by IITC Holdings Ltd. (formerly Intera Information Technologies Corporation) on the discontinuance of its airborne geophysical and meteorological operations.

NOTE 5 - EXTRAORDINARY ITEM

The extraordinary item in 1994 relates to the write-off of intrastate authorities by the U.S. trucking operation. This was required as the result of U.S. legislation, which deregulated intrastate hauling effective January 1, 1995, which reduced the value of these authorities to zero.

Note 6 – Associated Companies

The Corporation's share of earnings from its investment in associated companies and the related carrying value was as follows:

(thousands of dollars)	1995			1994		
	Pretax earnings	**Net earnings**	**Carrying value**	**Pretax earnings**	**Net earnings**	**Carrying value**
Chauvco Resources Ltd. *(a)*	**$ 4,584**	**$ 3,633**	**$ 50,819**	$ 5,902	$ 4,223	$ 39,772
Banister Foundation Inc.	**214**	**120**	**24,264**	1,894	1,129	24,415
BOVAR Inc.	**5,232**	**5,212**	**20,351**	3,437	3,488	15,332
IITC Holdings Ltd. *(b)*	**(646)**	**(700)**	**11,803**	(914)	(1,752)	12,473
Taro Industries Limited *(c)*	**108**	**94**	**7,021**	643	637	6,527
Bantrel Inc.	**351**	**184**	**972**	214	116	888
Muscat Overseas Oil & Gas Drilling Co.	**(68)**	**(38)**	**1,145**	63	35	1,205
	$ 9,775	**$ 8,505**	**$ 116,375**	$ 11,239	$ 7,876	$100,612
Net gain on sale of division of IITC Holdings Ltd. *(b)*	**$ 20,408**	**$ 17,403**	—	—	—	—

a) The Corporation purchased 400,000 shares of Chauvco for $6,300,000 pursuant to a March, 1995 share issue, by Chauvco. The participation was at less than the Corporation's pro-rata interest and a gain on dilution of $727,000 was recorded.

b) Effective September 30, 1995, IITC (formerly Intera Information Technologies Corporaton) sold its petroleum software division, recording a pretax gain of $US 50.3 million. The shareholders of IITC also approved the liquidation of all other assets and the distribution of the proceeds thereof to the shareholders (after paying or otherwise providing for all liabilities). A $US 16.1 million provision for asset impairment, estimated future operating losses and closure and liquidation costs was recorded by IITC. The net effect was an inclusion in IITC's income of $US 34.2 million of which Trimac's share was $20.4 million. In November 1995, after completion of the sale of the petroleum division, IITC distributed $8.00 per share to its shareholders, of which Trimac's share was $17.8 million.

c) During the year, the Corporation purchased an additional 275,000 shares of Taro for an aggregate consideration of $583,000, increasing its ownership from 15.0% to 19.7%. The purchase price paid was $1,046,000 less than Taro's book value of the shares acquired. This amount is being amortized over eight years.

NOTE 7 - Acquisition of subsidiary

Effective May 1, 1995, Trimac acquired 100% of the common shares of CADESA, S.A., an Argentinean company engaged in the business of providing drilling services to the oil and gas industry, for cash consideration of $4,541,000 plus the assumption of $11,860,000 of liabilities. The purchase method of accounting has been used to account for this acquisition and is allocated as follows:

Fixed assets	$ 15,940,000
Working capital	461,000
	$ 16,401,000

NOTE 8 - Advance to Computalog

Under the terms of a November, 1992 loan agreement with Computalog Ltd., a publicly traded company in the business of electric wire line logging and directional drilling services, the Corporation received warrants to purchase 2,000,000 common shares of Computalog at $2.00 per share which expire in 1997. If exercised at December 31, 1995, this would represent approximately 15% of Computalog's common shares. Amounts advanced under the loan were repaid by December 31, 1994 and the facility was cancelled.

NOTE 9 - Fixed assets

The cost of fixed assets and net book value by major classification are as follows:

(thousands of dollars)	**1995**		**1994**	
	Cost	**Net book value**	**Cost**	**Net book value**
Equipment				
Highway transportation equipment	**$232,751**	**$ 96,920**	$ 222,245	$ 92,191
Drilling rigs and related equipment	**183,740**	**70,980**	156,672	49,277
Lease and rental vehicles	**250,076**	**178,589**	210,602	155,298
Plant and equipment	**21,230**	**12,140**	14,382	13,054
Other	**61,067**	**21,184**	56,947	22,082
	748,864	**379,813**	660,848	331,902
Land, buildings and yard improvements	**72,992**	**55,008**	70,763	55,690
	$821,856	**$434,821**	$ 731,611	$ 387,592

NOTE 10 - Write-down of assets

As the result of a decision to discontinue the mobile site remediation segment of TriWaste, the carrying value of these assets was reduced by $6.6 million before income taxes, effective December 31, 1995, to reflect the estimated net recoverable amount of this equipment. A re-examination of the markets in which TriWaste operated resulted in a writedown of $8.9 million before taxes, effective December 31, 1994.

NOTE 11 - Bank advances

Bank advances are secured primarily by accounts receivable at rates generally at prime with other rate options.

NOTE 12 - LONG-TERM DEBT

Details of long-term debt, including aggregate annual repayments required over the next five years, are as follows:

(thousands of dollars)	1995		1994	
	Long-term	**Current**	**Long-term**	**Current**
Transportation				
Canada *(a)*	**$ 50,019**	**$ 490**	$ 48,170	$ 453
U.S. *(b)*	**23,732**	**1,475**	28,331	1,506
	73,751	**1,965**	76,501	1,959
Truck leasing and rentals *(c)*	**152,044**	—	127,657	—
Drilling *(d)*	**10,412**	**5,485**	3,579	4,714
Environmental	**2,488**	**547**	1,072	551
TOTAL	**$238,695**	**$ 7,997**	$ 208,809	$ 7,224

(a) The loans are secured by certain highway transportation equipment and certain real estate properties under floating charge debentures. Interest rates are floating at Canadian prime plus 1/4% - 3/8% with alternate rate options. The amounts outstanding are mainly revolving and may be terminated by defined notice. On termination, the loans are repayable over eight years.

(b) The loans include revolving loans and are secured by certain highway transportation equipment, and certain real estate properties. Interest rates are floating and range from U.S. base to U.S. base plus 1/2% with alternate rate options. The revolving loans may be terminated by defined notice. On termination, the loans are repayable over six years.

(c) The loans are secured by certain lease and rental vehicles. Interest rates are fixed and floating. Fixed rates range from 6% to 11.25% and floating rates generally range from Canadian prime to prime plus 1%, with alternate rate options. The amounts outstanding are revolving and may be terminated by defined notice. On termination, the loans are repayable over periods of up to five years.

(d) The loan is secured by drilling rigs and related accounts receivables. The interest rate is floating and is 1/4% over Canadian prime with alternate rate options. The loan is repayable over a period of up to four years.

(e) Repayments - aggregate amounts of long-term debt repayable in the years ending December 31 are:

1996	$ 7,997,000
1997	$ 6,127,000
1998	$ 5,270,000
1999	$ 5,025,000
2000	$ 2,362,000
Thereafter	$ 219,911,000

(f) Certain of Trimac's long-term debt is payable in U.S. dollars. The Canadian dollar equivalent of this debt (long-term and current portion) is $39,981,000.

NOTE 13 - Share capital

The Corporation has authorized 50,000,000 Class A Preferred Shares, 50,000,000 Floating Rate Cumulative Redeemable Retractable Class B Preferred Shares, 320,000 9.12% Cumulative Redeemable First Preferred Shares, Series A and 113,500 Redeemable Retractable Convertible Second Preferred Shares. None of these shares were issued as at December 31, 1995 and December 31, 1994.

Common shares

	Issued	
	Number	**Amount**
Common shares without nominal or par value		*(thousands of dollars)*
(authorized 100,000,000 shares) -		
Issued as at December 31, 1994	40,216,905	$ 149,723
Stock options exercised	283,900	1,943
Issued as at December 31, 1995	40,500,805	$ 151,666

Common shares reserved

At December 31, 1995 the following common shares were reserved for options granted to officers and employees:

Date granted	Expiry date	Price per share	Number of shares
March 7, 1991	March 6, 1996	$ 7.62	4,000
November 7, 1991	November 6, 1996	9.12	14,500
March 5, 1992	March 4, 1997	8.62	36,300
March 4, 1993	March 3, 1998	13.25	417,200
May 5, 1994	May 4, 1999	16.00	10,000
August 11, 1994	August 10, 1999	16.12	186,500
November 23, 1994	November 22, 1999	12.87	20,500
November 23, 1995	November 22, 2000	11.75	346,500
			1,035,500

NOTE 14 - SEGMENTED INFORMATION

Trimac conducts its business through wholly owned subsidiaries and associated companies. The subsidiaries' operations are in four business segments: transportation services which is the highway transportation of bulk commodities; truck leasing and rentals; drilling services; and environmental services. The associated companies' operations include engineering and construction (engineering), oil and gas exploration and production, oilfield equipment supply and drilling services (oil and gas) and environmental services (environmental).

By Industry segment

(thousands of dollars)	**Operating revenues**	**Earnings before interest and taxes**	**Depreciation and amortization**	**Capital expenditures**	**Identifiable assets**
1995					
Subsidiaries:					
Transportation services	$ 371,277	$ 19,489	$ 28,329	$ 34,725	$ 222,276
Truck leasing and rentals	114,537	17,333	38,364	91,250	211,991
Drilling services	214,791	23,241	10,514	19,462	130,250
Environmental services	21,662	(11,393)	2,060	5,015	22,912
Other	—	(199)	183	(149)	2,364
	722,267	48,471	79,450	150,303	589,793
Associated companies: *(a)*					
Engineering	—	426	—	—	25,236
Oil and gas	—	25,168	—	—	70,788
Environmental	—	5,295	—	—	20,351
	—	30,889	—	—	116,375
Sub-total	722,267	79,360	79,450	150,303	706,168
General and administrative costs	—	(5,292)	—	—	—
	722,267	74,068	79,450	150,303	706,168
Interest	—	(21,647)	—	—	—
	$ 722,267	$ 52,421	$ 79,450	$ 150,303	$ 706,168

By Industry segment

(thousands of dollars)	Operating revenues	Earnings before interest and taxes	Depreciation and amortization	Capital expenditures	Identifiable assets
1994					
Subsidiaries:					
Transportation services	$ 352,784	$ 21,972	$ 27,395	$ 37,040	$ 219,348
Truck leasing and rentals	97,511	15,090	31,218	99,349	182,961
Drilling services	205,074	34,051	6,867	21,318	119,929
Environmental services	31,794	(13,645)	2,394	15,668	31,197
Other	—	(676)	720	60	4,051
	687,163	56,792	68,594	173,435	557,486
Associated companies: *(a)*					
Engineering	—	2,108	—	—	25,303
Oil and gas	—	5,694	—	—	59,977
Environmental	—	3,437	—	—	15,332
	—	11,239	—	—	100,612
Sub-total	687,163	68,031	68,594	173,435	658,098
General and administrative costs	—	(5,542)	—	—	—
	687,163	62,489	68,594	173,435	658,098
Interest	—	(13,558)	—	—	—
	$ 687,163	$ 48,931	$ 68,594	$ 173,435	$ 658,098

By Geographic area

	Year ended December 31, 1995			Year ended December 31, 1994		
(thousands of dollars)	Operating revenues	Earnings before interest and taxes	Identifiable assets	Operating revenues	Earnings before interest and taxes	Identifiable assets
Canada	$ 500,926	$ 47,596	$ 420,349	$ 479,873	$ 43,924	$ 406,033
United States	179,230	380	124,279	188,732	7,762	128,159
Other	42,111	(4,797)	45,165	18,558	(436)	23,294
	722,267	43,179	589,793	687,163	51,250	557,486
Associated companies *(a)*	—	30,889	116,375	—	11,239	100,612
	722,267	74,068	706,168	687,163	62,489	658,098
Interest	—	(21,647)	—	—	(13,558)	—
	$ 722,267	$ 52,421	$ 706,168	$ 687,163	$ 48,931	$ 658,098

(a) Associated companies results are not consolidated on a line by line basis, therefore operating revenues, depreciation and amortization and capital expenditures are not applicable. Identifiable assets represent Trimac's carrying value.

NOTE 15 - CONTINGENCIES AND COMMITMENTS

(a) As at December 31, 1995, Trimac had lease commitments totalling $20,725,000. Required annual payments are as follows:

1996	$ 8,490,000
1997	$ 5,982,000
1998	$ 3,856,000
1999	$ 1,166,000
2000	$ 655,000
Thereafter	$ 576,000

(b) Trimac is involved in various legal actions which have occurred in the ordinary course of business. Management is of the opinion that losses, if any, arising from such legal actions would not have a material effect on these financial statements.

(c) The Corporation has guaranteed indebtedness in the amount of $3.0 million used by eight senior officers in the purchase of common shares of the Corporation. The officers have pledged as security approximately 488,000 common shares of the Corporation.

(d) See Income Taxes *(Note 3)*.

	Year Ended December 31			
(thousands of dollars, except per share figures)	**1995**	1994	1993	1992
OPERATIONS				
Revenues	**$722,267**	$687,163	$618,803	$476,055
Depreciation and amortization	**79,450**	68,594	64,390	50,213
Interest expense – long-term debt	**19,650**	12,910	12,160	11,975
Earnings before taxes	**52,421**	48,931	36,808	33,714
Earnings before unusual and extraordinary items	**32,745**	43,404	27,720	27,236
Per common share	**0.81**	1.07	0.70	0.73
Net earnings	**32,745**	41,529	27,380	26,823
Per common share	**0.81**	1.02	0.69	0.72
Cash from operations	**91,792**	102,492	85,053	56,039
Net capital investments:				
Fixed assets	**115,558**	140,135	155,359	76,974
Acquisitions/investments	**11,332**	15,766	6,158	20,575
FINANCIAL POSITION				
Working capital	**30,244**	33,010	9,679	6,991
Fixed assets, net book value	**434,821**	387,592	408,704	310,582
Long-term debt	**238,695**	208,809	221,503	176,777
Convertible debenture	**—**	—	—	—
Shareholders' equity – preferred	**—**	—	—	3,612
– common	**339,093**	313,325	279,127	208,645
– total	**339,093**	313,325	279,127	212,257
QUARTERLY RESULTS *(unaudited)*				
Revenues				
First quarter	**183,829**	163,931	142,395	103,466
Second quarter	**170,033**	152,640	141,746	108,214
Third quarter	**192,137**	178,337	161,935	123,597
Fourth quarter	**176,268**	192,255	172,727	140,778
	722,267	687,163	618,803	476,055
Earnings (loss) before unusual and extraordinary items				
First quarter	**6,713**	7,488	2,925	340
Second quarter	**4,204**	9,323	3,900	2,223
Third quarter	**5,570**	14,478	9,788	19,363
Fourth quarter	**16,258**	12,115	11,107	5,310
	32,745	43,404	27,720	27,236
Earnings (loss) per common share before unusual and extraordinary items				
First quarter	**0.17**	0.18	0.07	0.01
Second quarter	**0.10**	0.23	0.10	0.06
Third quarter	**0.14**	0.36	0.24	0.52
Fourth quarter	**0.40**	0.30	0.29	0.14
	0.81	1.07	0.70	0.73

Note: Prior years' results have been restated to reflect application of the prior period adjustment *(Note 2)*.

Year Ended December 31						
1991	1990	1989	1988	1987	1986	1985
$449,047	$445,057	$338,635	$320,081	$269,906	$268,993	$300,610
43,939	38,612	35,308	31,951	28,297	28,019	26,800
13,636	18,581	21,112	16,716	13,608	14,153	13,288
29,350	19,249	21,607	19,445	15,578	14,042	10,719
23,265	14,441	12,213	10,017	7,115	4,763	3,652
0.63	0.38	0.31	0.28	0.19	0.12	0.08
22,715	13,188	43,949	5,276	4,977	3,516	1,563
0.61	0.34	1.35	0.14	0.13	0.09	0.03
48,576	47,544	38,228	34,724	28,708	32,310	29,626
50,325	33,863	28,255	40,547	42,237	22,486	42,953
410	56,957	42,417	19,700	1,484	4,287	5,715
5,636	15,001	64,817	16,481	24,062	14,863	17,943
219,383	208,713	182,489	222,079	246,927	245,386	248,769
122,634	139,481	111,817	150,274	156,631	158,032	159,429
—	—	30,000	30,000	30,000	—	—
3,775	4,095	30,235	30,555	30,875	7,195	7,620
182,546	162,748	127,632	87,384	108,834	103,761	101,102
186,321	166,843	157,867	117,939	139,709	110,956	108,722
121,089	103,784	76,616	68,950	59,980	76,969	69,041
105,461	103,673	83,093	77,917	62,941	63,377	73,838
114,812	118,294	91,781	80,073	75,576	67,558	79,581
107,685	119,306	87,145	93,141	71,409	61,089	78,150
449,047	445,057	338,635	320,081	269,906	268,993	300,610
1,829	1,817	104	555	(420)	293	306
14,739	930	3,137	2,071	1,448	969	413
4,627	4,785	4,101	3,188	2,802	2,838	1,872
2,070	6,909	4,871	4,203	3,285	663	1,061
23,265	14,441	12,213	10,017	7,115	4,763	3,652
0.05	0.04	(0.02)	0.02	(0.02)	0.00	0.01
0.40	0.00	0.08	0.06	0.04	0.02	0.01
0.13	0.14	0.11	0.08	0.08	0.08	0.04
0.05	0.20	0.14	0.12	0.09	0.02	0.02
0.63	0.38	0.31	0.28	0.19	0.12	0.08

Corporate Governance

The board of directors of Trimac has the obligation to oversee the conduct of the businesses of the Corporation and to supervise senior management which is responsible for the day-to-day conduct of the businesses. The board of directors has delegated certain of its responsibilities to the audit, human resources, and corporate governance and nominating committees of the board.

Trimac's board of directors and senior management consider good corporate governance to be central to their fundamental obligation to maximize shareholder value. The Corporation has in place a system of corporate governance which the board of directors and senior management believe has an orientation which reflects the nature of the corporation's businesses, organization and decision making structure. Further particulars of the corporate governance practices of Trimac are contained in Trimac's information circular dated March 11, 1996.

Officers

***J.R. (Bud) McCaig**, Chairman*

***Jeffrey J. McCaig**, President and Chief Executive Officer*

***Robert D. Algar**, Vice President Human Resources*

***Arthur E. Dumont**, Vice President and President, Kenting Energy Services*

***T. Jerrold Jackson**, Vice President Finance and Chief Financial Officer*

***Stephen W. C. Mulherin**, Vice President Corporate Development and Associated Companies*

***Terry J. Owen**, Vice President General Counsel and Corporate Secretary*

***Judith A. Parker**, Assistant Secretary*

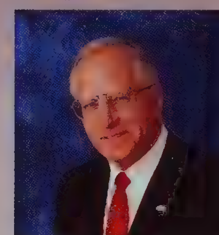
***Andrew B. Zaleski**, Vice President and President, Trimac Transportation*

Board of Directors

***John R. (Bud) McCaig**,*
Calgary, Director since 1970
Chairman of the Board
Trimac Limited

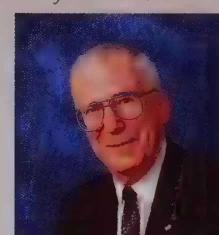
***Maurice W. McCaig**,*
Calgary, Director since 1971
President
Mo-Mac Investments Ltd.

***Murrey Dubinsky**, Q.C.,*
Calgary, Director since 1971
President
Administrative Consultants Ltd.



***Antonie Vanden Brink**,*
Calgary, Director since 1976
President
Tokay Resources Ltd.

***Rhys T. Eyton**,*
Calgary, Director since 1984
Corporate Director



***H. Anthony Hampson**,*
Toronto, Director since 1987
Corporate Director

***Harold E. Wyatt**,*
Calgary, Director since 1988
Corporate Director

***Daryl K. Seaman**,*
Calgary, Director since 1990
Chairman
Dox Investments Inc.

***Jeffrey J. McCaig**,*
Calgary, Director since 1990
President and Chief Executive Officer, Trimac Limited

***John M. MacLeod**,*
Calgary, Director since 1993
Corporate Director

DATE OF INITIAL PUBLIC OFFERING

November 22, 1971

SHARES OUTSTANDING

40,500,805

AUDITORS

Price Waterhouse,
Calgary, Alberta

STOCK EXCHANGE LISTINGS

The Toronto and Montreal stock exchanges
(Ticker symbol – TMA)

TRANSFER AGENT

R-M Trust Company
(403) 232-2400

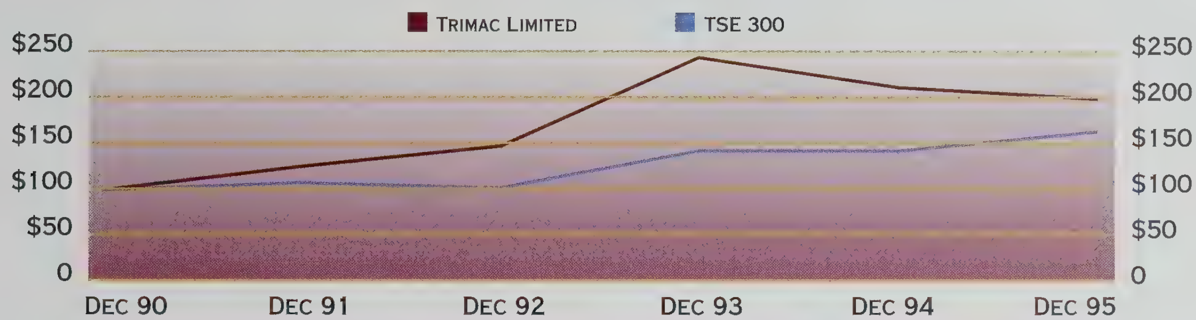
COMMON SHARE PRICE

	High	Low	Close	Volume (000's)
1995	**$13.88**	**$10.00**	**$12.50**	**14,504**
1994	18.00	11.50	12.88	12,888
1993	19.00	9.00	15.75	16,561
1992	9.38	7.25	9.38	7,692
1991	9.88	6.13	8.50	16,340
1990	8.63	6.00	6.63	21,283
1989	6.25	3.40	6.00	9,058

DIVIDEND

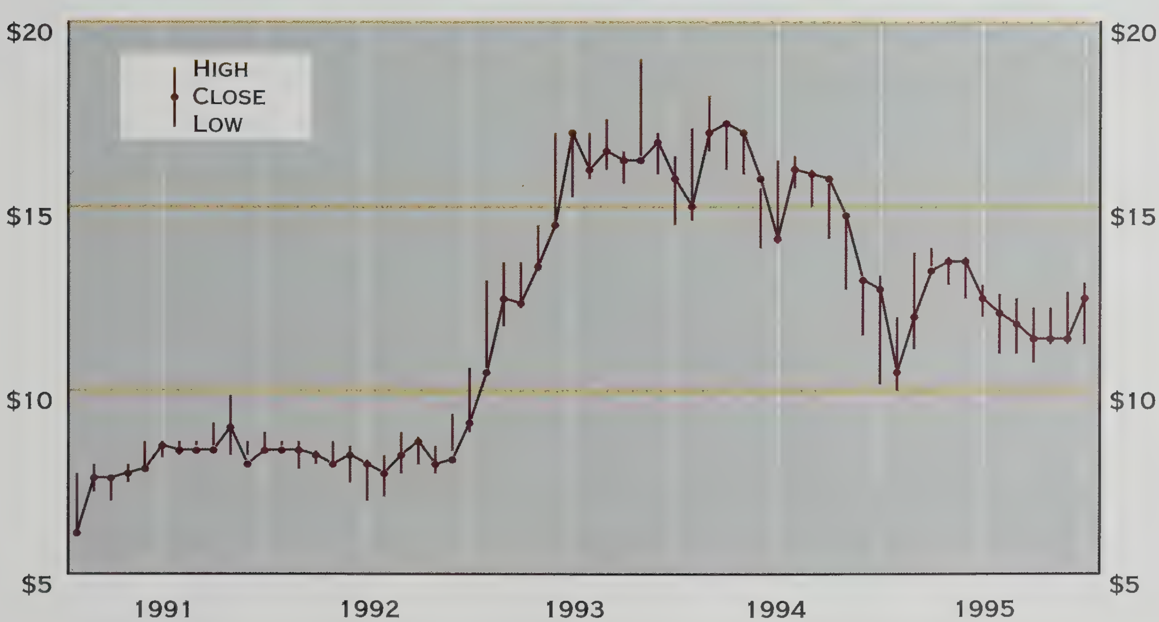
Trimac paid a dividend of $0.18 on March 31, 1995 to common shareholders of record as at March 15, 1995. This compares to a dividend of $0.15 per common share paid in 1994.

CUMULATIVE VALUE OF A $100 INVESTMENT ASSUMING RE-INVESTMENT OF DIVIDENDS



	Dec 90	Dec 91	Dec 92	Dec 93	Dec 94	Dec 95
Trimac	$100	130	145	247	203	200
TSE 300	$100	112	110	146	146	167

TRIMAC 5-YEAR COMMON SHARE PRICE HISTORY



Trimac

Trimac Limited, Suite 2100, 800 Fifth Avenue S.W., P.O. Box 3500, Calgary, Alberta T2P 2P9 Canada
Telephone: (403) 298-5100 Facsimile: (403) 298-5258 email: trimac@agt.net

Trimac Transportation Services

P.O. Box 3500
Calgary, Alberta
T2P 2P9

Andrew Zaleski, President
Telephone: (403) 298-5100
Facsimile: (403) 298-5258
email: tts@cadvision.com

Canadian Operations

British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec

Everett Rivait, V.P., Eastern Division
Oakville, Ontario
Telephone: (905) 827-9800
Facsimile: (905) 827-8038

Andy Piché, V.P., Western Division
Calgary, Alberta
Telephone: (403) 298-5100
Facsimile: (403) 298-5242

George Lloyd, President and General Manager
Bulk Systems Management Ltd.
Burnaby, British Columbia
Telephone: (604) 430-3445
Facsimile: (604) 430-1368

Trimac Consulting Services
Lloyd Ash, General Manager
Calgary, Alberta
Telephone: (403) 298-5100
Facsimile: (403) 298-5242

U.S. Operations

Illinois, Kentucky, Louisiana, New Jersey, North Carolina, Pennsylvania, Tennessee, Texas, Alabama, South Dakota, Colorado, Nevada, Utah, Wyoming, Washington, California, Oregon, Kansas, Nebraska

Trimac Transportation, Inc.
P.O. Box 36247
Louisville, Kentucky
40218

Bernie Higgins, V.P. and General Manager
Telephone: (502) 459-5122
Facsimile: (502) 459-5944

TriWaste

TriWaste

TriWaste
P.O. Box 3500
Calgary, Alberta
T2P 2P9

Jerry Jackson, President
Telephone: (403) 234-3240
Facsimile: (403) 234-6737

Canadian & U.S. Operations

Alberta, British Columbia, Washington

Kenting

Kenting Energy Services

P.O. Box 3500
Calgary, Alberta
T2P 2P9

Art Dumont, President
Telephone: (403) 298-5100
Facsimile: (403) 298-5258

Canadian Operations

British Columbia, Alberta, Saskatchewan

Kenting Hi-Tower Drilling
John Jacobsen, V.P. and General Manager
Telephone: (403) 221-8800
Facsimile: (403) 221-8845

Sedco Drilling
Hugh Strain, V.P. and General Manager
Telephone: (403) 221-8822
Facsimile: (403) 221-8821

U.S. Operations

Colorado, Montana, North Dakota, Wyoming

Kenting Apollo Drilling Inc.
Jim Jennings, General Manager
Telephone: (303) 298-1383
Facsimile: (303) 297-1181

European Operations

United Kingdom, The Netherlands, Denmark, France, Spain

Kenting Drilling Services Ltd.
John Beswick, Managing Director
Telephone: 44-1-332-850060
Facsimile: 44-1-332-850553

South American Operations

Argentina

Kenting Drilling (Argentina) S.A.
Gary Meier, Vice President
Telephone: 54-1-812-7502
Facsimile: 54-1-815-0082

Middle East Operations

Sultanate of Oman

Muscat Overseas Oil & Gas Drilling Co. L.L.C.
David Hobbs, General Manager
Telephone: 968-704668
Facsimile: 968-709049

Rentway

Rentway Inc.

Eastern Region Office
Suite 1000, 185, The West Mall
Etobicoke, Ontario
M9C 5L5

Ron Waye, President
Telephone: (416) 626-7922
Facsimile: (416) 626-5177

Canadian & U.S. Operations

British Columbia, Alberta, Manitoba, Ontario, Quebec, New Brunswick

Michigan, Ohio, Washington

Head Office
P.O. Box 3500
Calgary, Alberta
T2P 2P9

Telephone: (403) 298-5100
Facsimile: (403) 298-5191

Associated Companies

Banister Foundation Inc.
Scarborough, Ontario
Norm Harrison, President
Telephone: (416) 754-8735

Bantrel Inc.
Calgary, Alberta
Paul Lovell, President and C.E.O.
Telephone: (403) 290-5000

BOVAR Inc.
Calgary, Alberta
Monty Davis, President and C.E.O.
Telephone: (403) 235-8300

Chauvco Resources Ltd.
Calgary, Alberta
Guy Turcotte, Chairman and C.E.O.
Telephone: (403) 231-3100

IITC Holdings Ltd.
Calgary, Alberta
Brian Bullock, President and C.E.O.
Telephone: (403) 266-0900

Taro Industries Limited
Calgary, Alberta
Frank Killoran, President and C.E.O.
Telephone: (403) 253-8511

Trimac Through Time

Saskatchewan, Canada in the 1930's, a time that became known as the Dirty Thirties, when the three-metre drifts of winter snow were matched by the summer drifts of top-soil blown from fields by the relentless wind.

Drought was killing formerly productive farms in the Canadian and U.S. West, and businesses were reeling from the economic collapse triggered by the Wall Street crash of 1929.

It should have been one of history's least lucky combinations of time and place for launching a new business, but Scottish immigrant and farmer **J.W. (Jack) McCaig** was determined to do precisely that. The new business was a trucking company and so began a history that would eventually lead to the building of Trimac Limited.

Jack McCaig's motivation for his first truck run came when his mother, weighing only 98 pounds, was forced to dump the cans of milk she had hauled by horse and buggy to the railway station because she couldn't lift the 100-pound cans onto the railway platform. Jack saw his opportunity and started a run with his truck, picking up milk from farms all the way to the station at Regina, the province's capital. By 1932, he had sold the milk run and with two second-hand trucks and a home-built flat bed trailer, Jack began moving oil company warehouses from railroad-owned land to new sites.

Jack increased his truck fleet to seven vehicles by 1941, when war interrupted the company's growth. After serving three years as an army transport officer, Jack returned to civilian life determined to expand his business. In 1945, he and partner Al Cameron launched **Maccam Transport** in Moose Jaw, Saskatchewan marking the official beginning of what is today Trimac Limited.

Jack's eldest son, J.R. (Bud), joined Maccam as a dispatcher in 1946. In 1952, he was appointed General Manager.

Maccam Transport continued to grow and by 1960, the company had more than 100 trucks transporting petroleum products, cement and other bulk commodities throughout the three prairie provinces. In 1960, a new holding company was formed and the name **Trimac Limited** (named for the three McCaig sons, Bud, Roger and Maurice, all of whom joined the business at an early age) was officially adopted.

The company expanded into Alberta when Jack and Bud McCaig purchased Calgary-based **H.M. Trimble & Sons.** In 1961, Bud moved to Calgary to oversee the transition. The Trimble acquisition marked the beginning of a major expansion phase and within a few short years, Trimac had expanded into Manitoba and Ontario.

In 1968, the company's move towards North American expansion was bolstered when it was granted Interstate Commerce Commission authority to operate in to and out of the United States.

Trimac President Bud McCaig took the company public on November 22, 1971 with the issuance of 400,000 common shares and a listing on the Toronto and Montreal stock exchanges. The ensuing period was generally one of growth and expansion for Trimac Limited as it began its transformation from a Canadian transportation company to a diversified multinational corporation.

Its first major diversification came with the purchase of **Rentway Canada** in 1971 with branches in Edmonton, Calgary and Toronto. The acquisition added the dimension of truck leasing and rentals to Trimac's businesses. By 1973, Rentway had added a number of branches across the country giving the company a strong, national presence. Also in 1973, Trimac and Canadian Industries Limited of Montreal merged their waste disposal businesses to form **Tricil**.

By the middle of 1976, Trimac was ready for its biggest diversification yet: a move into the oil business with the purchase of **Kenting Limited**. Kenting was to the Canadian oil and gas industry what Trimac was to transportation: a diversified group of independently-operated service companies. Since Kenting operated not only in Canada, but also in the U.K. and Africa, its acquisition took Trimac onto the international stage.

In the late 1970's, Trimac management began to look for possible opportunities in the trucking industry within the United States. In 1980, **Liquid Transporters** of Louisville, Kentucky became the first U.S. member of the Trimac Transportation family. This acquisition launched Trimac on a phase of North American expansion.

In 1989, the company acquired an interest in **BOVAR Inc.** In addition, Trimac acquired BOVAR's three drilling companies, **Hi-Tower, Sedco** and **Apollo Drilling,** which were amalgamated with the Kenting Drilling Group, while BOVAR focused on its environmental businesses.

In 1990, Trimac's purchase of **CP Bulk Transport** of Vancouver, B.C., gave the company its status as the continent's largest bulk carrier. This acquisition presented an ironic turn to the company's history. It was Jack McCaig's frustration with the railroad that led him into the trucking industry in the 1930's and it was this purchase from the railroad that made Trimac the largest bulk commodity carrier in North America.

Today, Trimac has come a long way from its roots as a small Western Canadian trucking company to a diversified, multinational corporation providing services in bulk highway transportation, contract drilling, truck leasing and rentals and environmental services.

Throughout 1996, Trimac Limited is celebrating its **50 Year Anniversary** to recognize and acknowledge the contributions of its past and present employees, customers and suppliers.

1945

J.W. (Jack) McCaig and his partner Al Cameron establish Maccam Transport in Moose Jaw, Saskatchewan. (The company name comes from the first syllables of each partner's surname). Soon, the partners establish Maccam Motors, a Ford-Mercury dealership in Moose Jaw.

1952

J.R. (Bud) McCaig joined the company as dispatcher in 1946. In 1952, he's appointed General Manager.

1954

Jack McCaig and his three sons establish a new company, Redi-Mix Concrete Ltd. The company opens plants in Moose Jaw, Regina and Saskatoon during the next five years.

1959

Maccam Transport opens a new head office and terminal in Moose Jaw at the junction of the Trans-Canada and #2 highways.

1960

A new holding company, Trimac Limited, is formed, named for the three McCaig sons, Bud, Roger and Maurice.

1961

Trimac purchases Calgary-based H.M. Trimble & Sons, an established trucking company with operations in Alberta and B.C. Bud McCaig becomes president of Trimble and moves to Calgary to manage the expanded trucking operations.

1964

Trimac purchases Winnipeg-based Oil & Industry Suppliers Ltd.

Trimac

1967

Trimac purchases Municipal Tank Lines Limited of Ontario. That same year, the various trucking companies begin operating under the name Trimac Transportation.

1968

The company is granted Interstate Commerce Commission authority to operate between Canada and the U.S.

1969

Trimac acquires Adby Transport Co. of Edmonton and J. Kearns Transport of Regina.

1970

MBI Data Services, an information systems group, is formed to serve the information technology needs of the Trimac Group of Companies.

1971

An important milestone for Trimac. In November, Trimac Limited becomes a public company with the issuance of 400,000 common shares at a price of $7.00 per share (there has since been two 3-for-1 share splits). During that year, Trimac acquires Rentway, a Calgary-based truck rental and leasing company. Rentway operates branches in Edmonton, Calgary and Toronto. In December, Trimac purchases Dominion Waste Management and enters a new area of operations.

1972

Kenting Drilling Services Limited begins operation in the U.K. The company becomes part of Trimac several years later with the purchase of Kenting Limited.

1973

Trimac and Canadian Industries Limited (CIL) of Montreal merge their waste disposal businesses as Tricil.

1976

Trimac expands into energy services, purchasing a 48 percent interest in drilling contractor Kenting Limited. The remainder of the company is acquired in 1977.

1978

Trimac begins investing in the exploration for and development of oil and gas reserves with the formation of Tripet Resources.

1980

Energy services expand into the U.S. with Trimac's acquisition of the Cactus group of drilling companies. In the same year, the trucking operations also expand south of the border with the purchase of Liquid Transporters of Kentucky.

1982

Quality Service Tank Lines of San Antonio, Texas joins the Trimac family.

1983

Construction of "Trimac House" in downtown Calgary is completed and becomes Trimac's new home for its corporate offices.

1986

Trimac Transportation, in partnership with Saskatchewan's Lac la Ronge Indian band, creates Northern Resource Trucking.

1988

Universal Transport, Inc. of South Dakota and its subsidiary, Les Calkins Trucking of California, are added to Trimac's U.S. operations.

1989

Trimac Limited acquires an interest in BOVAR Inc. In addition, Trimac acquires BOVAR's three drilling companies, Hi-Tower, Sedco and Apollo Drilling which become part of the Kenting Group.

1990

This is a year of major expansion for the trucking operations. The purchase of CP Bulk Transport makes Trimac Transportation the #1 bulk carrier in North America. Trimac also buys Alabama-based Ryder Bulk Transportation Services and renames it Trimac Bulk Transportation, Inc.

1992

A new company is added to the Trimac Group, TriWaste Reduction Services Inc.

1993

Trimac Transportation purchases Pacific Trucking Inc. of Seattle, Wash. Rentway completes the $16 million purchase of Intercan Leasing Inc. by acquiring its Quebec assets.

1994

Bud McCaig announces his retirement as Chief Executive Officer of Trimac Limited, remaining as Chairman of the company's Board of Directors. Jeff McCaig is named CEO.

1995

Kenting purchases CADESA S.A., a land drilling company in Argentina, and operates the company as Kenting Drilling (Argentina) S.A.

1996

Trimac celebrates its 50 Year Anniversary.

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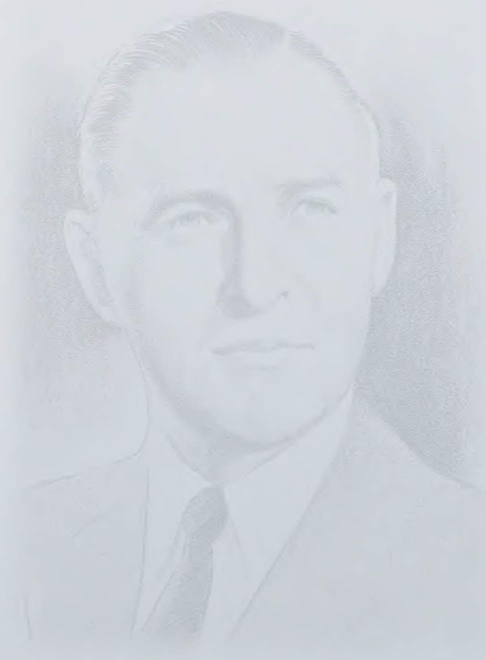
Trimac Limited is proud to celebrate its 50 Year Anniversary in 1996.

Founder J. W. McCaig's vision was to create a major highway carrier in Western Canada. Over the last five decades, that dream has taken the shape of a diverse group of companies with operations worldwide.

This timeline outlines some of the significant events which have contributed to Trimac's successful growth.



50 Years

Trimac

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